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ABSTRACT

The Targeted Jobs Demonstration Program (TJDP) was a two-year, six-agency demonstration project under which 14 communities received federal funds to encourage local coordination of federal programs to link federally assisted economic development programs with employment and training programs for individuals from minority groups and for economically disadvantaged persons. To evaluate the effectiveness of the TJDP, researchers conducted three rounds of field research and prepared case studies on each of the 14 project sites. These analyses revealed the TJDP to be a partial success. While several communities either made no attempt or were unsuccessful in carrying out the demonstration's objectives, significant accomplishments were achieved in a few communities. This special record is not, however, surprising when the economic recession and reductions in federally funded economic development and employment and training programs are taken into consideration. Indeed, the experience of the TJDP site in Portland, Oregon strongly suggests that job targeting strategies can be an effective tool for helping disadvantaged persons obtain unsubsidized employment from private firms assisted by economic development investments. (MN)

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AN EVALUATION OF THE TARGETED JOBS DEMONSTRATION PROGRAM

Carl Van Horn, David Ford and Robert Beauregard

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Prepared for:

The TJDP Interagency Monitoring Board

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PREFACE

This report is the final one in a series of documents that have examined the evolution of the Targeted Jobs Demonstration Program in fourteen sites nationwide. Part I: A Comparative Analysis of TJDP Sites offers summary assessments of the efforts undertaken, accomplishments achieved, and obstacles encountered by the TJDP sites in implementing the demonstration's principal objectives: obtaining jobs for economically disadvantaged people from economic development projects, obtaining business opportunities for small and minority businesses from economic development projects; and,improving coordination between local agencies concerned with employment and training, economic development, and business assistance. Part II: Summaries of the Fourteen TJDP Sites presents a brief description of each site's efforts including an overview and explanation of the origins of the demonstration, a detailing of major accomplishments and a discussion of each project's progress and problems. Individual Case Studies, which were prepared for each of the fourteen sites, provided the background information for these summaries. For a more detailed reading, copies of these Case Studies may be obtained either from Eagleton Institute or the Department of Housing and Urban Development, the lead sponsor of the evaluation.

The Comparative Analysis and fourteen summaries are based on three rounds of field research undertaken by Rutgers staff. The results of those investigations are reported in fourteen separate Case Studies mentioned above. Two status reports analyzing the TJDP experiences were submitted in July of 1981 and January 1982. The Comparative Analysis incorporates the findings of the previous status reports with additional information derived from field visits conducted in the spring of 1982 as most of the sites had completed or neared completion of their demonstration projects.

In addition to the Comparative Analysis and fourteen Case Studies, Rutgers has prepared a technical assistance guide entitled: Economic Development Projects and Jobs: Lessons from the Targeted Jobs Demonstration Program. This self-help guide summarizes the lessons of TJDP about program design and implementation strategies. A complete list of reports issued by Rutgers' TJDP evaluation follows this preface.

Rutgers' evaluation of TJDP was jointly funded by the U.S. Departments of Housing and Urban Development, Labor, and Transportation, and the Small Business Administration, the Economic Development Administration of the U.S. Department of Commerce, and the Community Services Administration. The contract was issued to Rutgers University by HUD on behalf of an Interagency Monitoring Board composed of representatives from the six funding agencies. Judith V. May of HUD chaired this group which oversaw the TJDP evaluation and the grantees. Additional support came from the Eagleton Institute of Politics and the Center for Human Resources of Rutgers University.

The evaluation project was directed by Carl Van Horn, Director of the Center for State Politics and Public Policy at Eagleton. The project's Associate Director was David Ford, Associate Director of the Center for Human Resources. Michelle Lebovitz Lamar of Eagleton was the project's Assistant Director. The information reported here is based on research conducted by the Field Research Associates listed below, along with their site assignments.

Field Research Associates	TJDP Site Assignment(s)
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Field Research Associates (contd)	TJDP Site Assignment(s) (contd)
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Peter Kobrak	Genesee County, Michigan
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Robert McPherson	Seattle, Washington
Patti Moeller	San Antonio, Texas
Randall Ripley	Milwaukee, Wisconsin
Donald Rosenthal	Buffalo/Erie County, New York
Ken Ryan	Montanawide (Blackfeet Tribe)
Lance Smith	Metcalfe, Mississippi
Carl Van Horn	New York, New York

The Comparative Analysis was written by Carl Van Horn, David Ford, and Robert Beauregard, with the assistance of Michelle Lamar, Susan Massart and Jayne Rebovich. The project director assumes reponsibility for the entire report. The individual summaries were written by the Field Research Associates and edited by the Rutgers TJDP Evaluation staff.

The authors would like to express their appreciation to the Field Research Associates for their excellent and timely reports, to the people interviewed in the TJDP sites for their cooperation, and to the Interagency Monitoring Board, especially Judith May, for guidance.

TJDP Evaluation

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List of TJDP Evaluation Reports

1.	The First Targeted Jobs Demonstration Program Conference, Washington, D.C.: A Summary of Conference Proceedings	December 1980
2.	A Proposed Evaluation Strategy for the Targeted Jobs Demonstration Program Evaluation	March 1981
3.	A Summary of the First Round TJDP Evaluation Reports	July 1981
4.	TJDP Evaluation: First Round Reports on the Fourteen Demonstration Sites	July 1981
5.	TJDP Bulletin	August 1981
6.	FYI #1: TJDP Evaluation	August 1981
7.	The Second Targeted Jobs Demonstration Program Conference, Washington, D.C.: A Summary of Conference Proceedings	September 1981
8.	TJDP Bulletin	September 1981
9.	FYI #2: TJDP Evaluation	September 1981
10.	Coordinating Economic, Community and Small and Minority Business Development with Employment and Training Programs: An Essay, Annotated Bibliography and List of Related Readings	November 1981
11.	A Summary of the Second Round TJDP Evaluation Reports, Volume I: Overview and Analysis, Volume II: The Demonstration Sites	January 1982
12.	TJDP Bulletin	February 1982
13.	FYI #3: TJDP Evaluation	February 1982
14.	Developing Effective Job Targeting Strategies	June 1982
15.	Case Studies of the Targeted Job Demonstration Program in Fourteen Sites	July 1982
16.	A Comparative Analysis of the Targeted Jobs Demonstration Program Sites	November 1982
17.	Economic Development Projects and Jobs: Lessons from the Targeted Jobs Demonstration Program	1983
18.	An Evaluation of the Targeted Jobs Demonstration Program	1983

SUMMARY

This is the final report by Rutgers University on the evolution of the Targeted Jobs Demonstration Program (TJDP) in fourteen sites nationwide. It describes, explains, and assesses the performance of the TJDP grantees on TJDP's central goals. The observations and judgments contained in this report are based on three rounds of field research undertaken by Rutgers staff in each TJDP site between May 1981 and June 1982. In addition to this report, Rutgers has also prepared Case Studies on each of the fourteen TJDP sites.

THE TARGETED JOBS DEMONSTRATION PROGRAM

1. TJDP was a two-year, six agency demonstration program under which fourteen communities received approximately $200,000 to encourage the local coordination of federal programs so that:

   a. the maximum feasible number of jobs created under Federally-assisted community and economic development and transportation projects go to economically disadvantaged persons who are eligible for assistance under the Comprehensive Employment and Training Act (CETA); and

   b. the maximum feasible number of spin-off business opportunities created under these projects go to small, minority, or community entrepreneurs.

TJDP was designed to address long-standing problems of linking economic development programs with employment and training programs.

OVERVIEW OF TJDP SITES AND THE DEMONSTRATION CONTEXT

Baseline Analysis

1. Prior to TJDP, most of the fourteen sites were not actively pursuing TJDP-related goals. Only six of the sites had experimented with targeting jobs from economic development projects to low-income residents. Regular procedures were absent in all but one site and even there the procedures had not been institutionalized.

2. Only four communities attempted to capture spin-off business opportunities from economic development projects for small and minority businesses, prior to TJDP.

3. Economic development, employment and training, and business assistance agencies rarely coordinated with one another, prior to TJDP.

Overview of the Demonstration Sites

1. The fourteen grantees were a diverse group. They ranged in size from New York City to Metcalfe, Mississippi--a rural town with less than 1,500 residents. Unemployment rates at the start of the demonstration ranged from 35 percent in one site to 5.2 percent in another.

2. Ten of the fourteen communities started their grants roughly on time. Four grantees experienced significant delays; two of those four did not start their demonstrations until a year after they were supposed to begin.

3. Four sites completed their TJDP-funded activities in April 1982, one finished in July, and the rest closed down their grants by September 1982. The average length of the demonstrations was slightly over two years. At least nine sites expect to continue some coordination activity with other federal or local resources.

4. The typical TJDP sites employed about three staff members. Staff turnover occurred in ten of the fourteen sites.

5. Eight communities located TJDP staff in one host agency. Six sprinkled TJDP staff around two or more agencies. The lead administrative agency was the Private Industry Council or CETA prime sponsors in six sites, a planning commission in three sites, offices of economic development in two sites, and other private non-profit organizations in two sites.

6. The rate of program expenditures fell behind anticipated levels in many sites during the first year of the demonstration. Spending increased during TJDP's second year; ten to twelve sites will spend their full allocation.

The Nature of TJDP and Its Environment

1. TJDP was originally envisioned as part of a larger, nationwide federal program to target jobs for low-income people from economic development projects, known as Employment Initiatives. This program was abandoned during the demonstration period, however, and local projects were left to develop their own strategies and policies. The demonstration's objectives had no legislative or regulatory mandate, nor did local staff have federal authority to impose job and business targeting objectives on federal, state, or local economic development projects in their communities.

2. The innovative nature of TJDP caused delays and implementation problems. Most sites did not reach full stride with their demonstration projects until the second year of funding and several never attained stability or successful procedures. Three communities ignored TJDP's central objectives.

3. Two environmental factors over which the TJDP staff had little or no control seriously undermined the demonstration project.

a. TJDP staff found it difficult to mount a new initiative during a period of declining budgetary resources at the federal, state, and local levels, and the accompanying uncertainty caused by such changes.

b. TJDP was also hurt by the economic recession. Depressed economic conditions, evident in all TJDP sites, made job and business targeting more difficult to implement and depressed program performance.

JOB OPPORTUNITIES UNDER TJDP

1. Progress towards the goal of obtaining job opportunities for low-income residents from economic development projects was assessed according to

four criteria: the development of effective job targeting strategies, the number of jobs obtained by CETA-eligible individuals due to TJDP, the quality of jobs obtained under TJDP, and the extent to which TJDP helped alter the hiring patterns of private firms. In addition, TJDP's performance was compared with the sites' stated objectives (from their proposals), with job placement by CETA and PIC agencies in the TJDP sites, and with data on the employment of economically disadvantaged people in firms assisted by the Urban Development Action Grant program.

2. The data base for Rutgers' evaluation was derived from interviews with TJDP staff, professionals in employment and training agencies, and where appropriate, elected officials or their principal aides; Quarterly Jobs-Related Activity Reports submitted by the grantees, interviews with 136 employers in the fourteen sites; and data from the U.S. Department of Housing and Urban Development on the UDAG program. Systematic information on the characteristics of people hired under federally-assisted projects prior to TJDP did not exist.

Developing Effective Job Targeting Strategies

1. Each site was assessed according to the extent to which they had developed an effective job targeting strategy. Such a strategy consists of six elements: a job targeting policy, supportive agency procedures, direct and early negotiations with employers for hiring agreements, careful employee screening and timely referrals, monitoring procedures, and enforcement mechanisms that can be imposed on private firms, if they refuse to honor hiring agreements.

2. Based on an analysis of the sites' strategies, they were grouped in five categories: excellent, good, fair, poor, and absent. One site had an excellent strategy. Good but incomplete strategies existed in four sites. Two sites developed fair job targeting strategies. Three communities had poor job targeting strategies. Four communities had no job targeting strategies during the demonstration, as we defined it.

3. Several factors accounted for the relative effectiveness of job targeting strategies, including: the lack of legal or regulatory requirements for such policies at the federal level; the degree of political support for job targeting within the TJDP communities; the attitudes of TJDP staff and agency heads towards job targeting, which was shaped by their conception of the proper role of economic development and CETA agencies and by their perceptions of how effective job targeting strategies can be during poor economic times; the degree of stability in the TJDP administrative environment and the location of TJDP staff; and the quality of personnel assigned to TJDP.

4. TJDP's job targeting objectives were opposed by some TJDP staff and economic development and CETA directors in several sites, but a majority of private employers were supportive of hiring agreements in principle. Two-thirds of the 81 private employers surveyed in fourteen sites said that it was appropriate for city or county governments to seek agreements whereby employers are expected to hire low-income people in return for economic development assistance. The 55 firms with experience under hiring agreements supported the concept by a 3 to 1 margin, whereas the 26 firms which had not been approached to sign an agreement divided equally over whether it was appropriate for the government to seek such agreements.

The Number of Jobs Obtained by CETA-Eligible Individuals

1. The eleven sites reporting usable information produced over 1,000 jobs for CETA-eligible individuals during the demonstration. Marked progress was made during the second year of the demonstration. The number of jobs doubled between May 1981 and November 1981 and almost doubled again by May 1982.

2. Several sites expect that additional placements for CETA-eligibles on economic development projects will result from efforts undertaken during the demonstration period. Most sites did not have systematic records of the number of jobs that will result from hiring agreements already signed, but more jobs will undoubtedly be produced due to the efforts of TJDP staff in the five sites that had excellent or good job targeting strategies.

3. The ten sites where we can make comparisons achieved only 18 percent of the jobs they originally projected in their TJDP proposals to the Inter-agency Monitoring Board.

4. Job placement performance and the gap between planned and actual jobs is explained by several factors. The job targeting approach chosen by the staff and its effectiveness had a profound influence on the number of jobs obtained during the demonstration period. Beyond this, however, declining economic conditions in all TJDP sites were the principal explanation for TJDP's performance. Poor economic conditions caused delays and cancellations of economic development projects, business failures and lay-offs, and--because of the large number of recently laid-off workers--stiff competition for CETA-eligibles. TJDP staff were unable to place more than a handful of people in construction jobs--something that had not been anticipated in the TJDP proposals. The long delay between the initial application for economic development assistance, project completion, and hiring depressed the number of jobs obtained during the demonstration period. Finally, many authors of TJDP proposals greatly overestimated the number of jobs that economic development projects would produce.

5. Rutgers' survey of private employers provides some evidence that TJDP strategies compared favorably with traditional CETA and PIC strategies for getting people jobs. Two out of every three "TJDP employers" had never been involved with government-sponsored employment and training programs prior to TJDP. The vast majority of employers were satisfied with their experience under TJDP and were willing to hire additional people referred to them by TJDP staff. Employers cited screening and referral services as the principal benefit they obtained from TJDP hiring agreements.

6. Rutgers' staff also compared the cost efficiency of TJDP placement strategies with traditional CETA/PIC placement approaches. While comparisons are problematic, the record shows that two TJDP strategies had lower costs per placements than local CETA/PIC approaches; TJDP performed about as well as regular CETA/PIC programs in two other communities; and TJDP strategies were not judged to be as efficient as CETA/PIC approaches in three sites. An effective TJDP strategy may be as efficient as traditional methods of obtaining jobs for the economically disadvantaged, especially where communities have a well developed job targeting strategy. However, TJDP did not provide any training or other service to program participants. It was instead a placement strategy.

The Quality of Jobs Obtained Through TJDP

1. The TJDP sites were, by and large, ineffective in improving the quality of jobs available to CETA-eligible individuals through regular programs. The average entering wage for TJDP jobs was $4.45 per hour. Most of the jobs were above the minimum wage, and, almost all the jobs for which Rutgers has information fell into the unskilled, entry-level category, or, at best, the low end of the semi-skilled range. The modal occupations include machine operators, general laborers, restaurant workers, low-skilled clerical and secretarial positions, and various jobs in the hotel industry. In six of the eight sites where a comparison is meaningful, TJDP jobs were judged to be of about the same quality as jobs obtained by CETA-eligibles through regular employment and training programs. Only a few jobs represented improvements over the typical opportunities available through CETA/PIC agencies. No information on job retention or wage gains was available.

2. Several factors account for the quality of jobs obtained through TJDP including the pool of jobs created by economic development projects and the inability of many CETA clients to fill the better quality positions, the fact that most TJDP staff focused on targeting entry-level jobs and not on upgrading job opportunities for CETA-eligibles, and the poor economy which placed a large number of experienced workers into the labor market and made CETA participants less competitive. Also, access to construction jobs was limited due to craft union control of the hiring process and the high unemployment rate among union members.

Altering Hiring Patterns of Private Firms

1. Interviews with private employers and local TJDP staff suggest that most firms in most TJDP sites did not alter their hiring patterns in response to TJDP-initiated efforts. Approximately half of the employers in Rutgers survey who had hired people indicated that the individuals from TJDP were the types of people they normally hire; only a third reported changes. There is solid evidence, however, that TJDP job targeting strategies substantially altered employers' hiring patterns in a few sites. This is particularly true for the site with the most effective job targeting strategy.

2. The hiring of economically disadvantaged people under TJDP compares favorably with the hiring patterns of firms under the Urban Development Action Grant (UDAG). About one in ten new permanent jobs created under UDAG are filled by CETA-eligible individuals. Rutgers' survey of employers with TJDP hiring agreements found that CETA-eligible people already hired represented 6 percent of the firms' total workforces and, if hiring agreements are honored, CETA-eligibles will comprise over 25 percent of the total workforces of those fiims. Evidence from the site with the best job targeting strategy suggests that CETA clients will receive a substantially larger share of the new "permanent" entry-level positions than the national pattern reported for UDAG.

3. The absence of observed changes in hiring patterns reported in many sites is explained in large part by the characteristics of jobs available from economic development projects. If employers tend to hire people for entry-level jobs who resemble the CETA-eligible population, then the opportunities for TJDP staff to affect the hiring patterns of firms are limited. Changes in patterns can only be brought about by effective negotiating styles or monitoring mechanisms. Changes were observed, however, in sites with thorough and well administered job targeting strategies.

BUSINESS ASSISTANCE UNDER TJDP

1. Although the goal of capturing spin-off business opportunities for small and minority business enterprises (S/MBEs) was included in the program's request for proposals, it was assigned a lower priority by the demonstration's planners. In fact, only a few sites pursued this goal with any vigor and those which did generally disregarded the national objective of redirecting business opportunities to S/MBEs and focused instead on general business assistance. Business assistance was thus the weakest and most undeveloped aspect of TJDP.

2. Of the fourteen TJDP sites, ten engaged in some form of business assistance activities and four did not. Of those ten, half made a major effort and the remainder generated only ad hoc, diffused and small scale projects to help S/MBEs. The decision to exclude business assistance from TJDP was based largely on the perceptions of the local staff about the efficiency of such a strategy and on the existance of parallel services in the community. The ten sites which included business assistance were administered, in whole or in part, by outside employment and training agencies, had supportive political climates for S/MBE involvement, and were able to build on existing programs or policies.

3. Those sites engaged in business assistance to S/MBEs took on a variety of tasks ranging from public relations, conferences, seminars, research, and market analysis to more demanding activities, such as the development of revolving loan funds or the implementation of policies affording preferential treatment to S/MBEs on city contracts. Only San Antonio attempted to capture spin-off business opportunities from federally assisted economic development projects.

4. In general, TJDP advanced neither the tactic of capturing business opportunities for S/MBEs nor the stragegy of linking S/MBEs to employment and training programs. With one exception, all the activities undertaken in the sites were typical economic development and S/MBE assistance activities.

COORDINATION UNDER TJDP

1. The level and frequency of coordination between economic development and employment and training agencies increased during TJDP in over half the sites. TJDP is judged to have played an important role in fostering agency coordination in five of those cases.

2. CETA staff were eager to coordinate with economic development agencies. Association with economic development programs was viewed as a potentially positive influence on CETA's image and provided placement opportunities for CETA clients. However, some employment and training staff were reluctant to allocate time to negotiating on-the-job training agreements with employers who could hire only a few trainees.

3. Economic development agencies were often less interested in coordinating with the employment and training system. Economic development officials were leery of being tied to CETA's poor image, were concerned about the ability of the agency to deliver on its commitments, and resisted agreements that increased

government regulation of the private sector. Some economic development agencies perceived major benefits from coordination, including the benefits of marketing employment and training services as part of an overall package of benefits for employers.

4. The extent of inter-agency coordination was explained in large part by the degree of support from the community's political leadership; the attitudes of economic development agency staff; the continuity of staff, political leadership and organizations; and, the location of agency staff.

5. Coordination of employment and training and economic development programs is expected to continue beyond the demonstration in nine sites. In eight sites, at least one TJDP staff person was retained as a regular staff member with either the economic development or the employment and training agency.

CONCLUSIONS

1. TJDP was a partial success. While several communities either made no attempt or were unsuccessful in carrying out the demonstration's objectives, significant accomplishments were achieved in a few communities.

2. TJDP's mixed record would be more disappointing if one disregarded the context in which it has evolved. But one must take into account the inherent difficulty of implementing an innovative program that had no legislative or regulatory mandate. The economic recession and reductions in federally-funded economic development and employment and training programs hurt the demonstration badly. Given the problems and obstacles that beset the demonstration, the accomplishments of more effective communities are indeed noteworthy and the poor performance of other sites is not surprising.

3. The experience of Portland, Oregon strongly suggests that job targeting strategies can be an effective tool for helping the disadvantaged obtain unsubsidized employment from private firms assisted by economic development investments.

4. Whether the experience in Portland, Oregon can be replicated elsewhere is dependent on the will and capacity of the community. Political and administrative support for the concept must be complemented by effective administrative procedures. In general, a job targeting strategy is more suited to a mature and well functioning agency, than to one plagued with administrative problems.

PART I

A COMPARATIVE ANALYSIS OF TJDP SITES

CHAPTER I. OBJECTIVES OF TJDP AND THE EVALUATION

The Targeted Jobs Demonstration Program

The Targeted Jobs Demonstration Program (TJDP) was a two-year, six-agency effort under which fourteen communities received approximately $200,000 each to encourage the local coordination of federal programs. (The sites selected to operate the demonstration are listed and described in Chapter II, pages 14-19.) The purpose of this coordination was very clear. According to the announcement in the May 15, 1979 Federal Register that solicited demonstration proposals nationwide, local projects were to be designed so that:

- "the maximum feasible number of jobs created under Federally-assisted community and economic development and transportation projects go to economically disadvantaged persons who are eligible for assistance under the Comprehensive Employment and Training Act (CETA) program," and;
- "the maximum feasible number of spin-off business opportunities created under these projects go to small, minority, or community entrepreneurs."

Unlike previous demonstration efforts designed to build the capacity for coordinating economic development and employment programs, TJDP would focus on specific, identifiable federal development projects and demonstrate that "targeted and strategic local action can increase the likelihood that disadvantaged groups will realize...employment and business opportunities from major and unique Federally-assisted investments."

The Targeted Jobs Demonstration Program emerged from President Carter's National Urban Policy. The central goals of this policy, known as "the New Partnership," were: (1) coordinated federal assistance at the local level, (2) employment through the private sector, and (3) more jobs and business opportunities for minorities and the economically disadvantaged. In April of 1979, the President's Interagency Coordinating Council, established to

implement the Urban Policy, announced a nationwide Employment Initiatives program designed to link federal economic and community development programs with federal employment and training efforts in order to place economically disadvantaged and unemployed persons in private sector jobs. Employment Initiatives grew out of a concern that despite federal efforts to attract private investments to distressed communities, the benefits from those investments did not flow primarily to economically disadvantaged people and small entrepreneurs.

In order to implement the Employment Initiatives concept, several federal agencies committed themselves to increasing the employment opportunities for CETA eligibles. Bilateral agreements, setting specific goals for jobs targeted to CETA eligibles were negotiated and signed between the Department of Labor and the Department of Housing and Urban Development, the Economic Development Administration, the Department of Transportation, the Community Services Administration, and the Farmer's Home Administration. For example, HUD agreed to require contractors in participating projects to fill at least 10 percent of the jobs with CETA-eligibles; the Economic Development Administration agreed to a 10-15 percent target for all appropriate job producing projects, and so on. The Small Business Administration agreed to ensure that its regulations did not conflict with the hiring of CETA-eligible persons, but refused to establish specific hiring goals.

As part of the overall Employment Initiatives strategy, applicants for projects under several federal economic development programs, such as HUD's Urban Development Action Grants and the Economic Development Administration's,

public works and business development programs, were required to submit an Employment Plan that detailed how many CETA-eligible persons would be placed into permanent jobs as a result of the project. Federal Regional cocrdination Councils were established in each federal regional office to review pending applications and to monitor and assess the progress of funded projects in achieving the objectives set forth in their Employment Plans.

TJDP was also part of the Employment Initiatives Program. TJDP would be operated under an interagency agreement among the U.S. Departments of Housing and Urban Development (as the lead agency) , Labor, Transportation, Commerce (Economic Development Administration), and the Community Services Administration. The demonstration was intended as a tool to further develop the techniques and strategies embodied in the Employment Initiatives strategy so that other communities could learn from and replicate their experiences.

Employment Initiatives and TJDP were designed to address long-standing problems of linking economic and community development programs with employment and training programs. Such problems were found to exist even after many of the categorical program constraints of the 1960s were removed through federal block grants, such as CETA and the Community Development Block Grant. For example, a report prepared for the Department of Housing and Urban Development and issued in 1976 noted that "coordination between Community Development and Manpower was least evident..." in the sixteen cities where the research team conducted case studies (See HUD, Community, Economic, and Manpower Development Linkages, Section I. Summary and Analysis, 1976.) The evaluation of a ten city demonstration program, known as the Community Economic Develop-

ment Program, concluded that "most of the cities were unsuccessful in their efforts to integrate the Comprehensive Employment and Training Act into the economic development process, although several cities took promising first steps." (See HUD, Evaluation of the Community Economic Development Program: Long Term Evaluation and Final Report, June 30, 1980.)

Previous studies of attempts to link local employment and training programs and economic development programs pointed to the lack of coordination at the federal level as a major impediment. With Employment Initiatives in place and with special demonstration project funds, the TJDP sites would have a unique opportunity to develop inter-program linkages in a supportive federal policy environment.

The Employment Initiatives program, however, was not aggressively pushed by the Carter Administration. Procedures for implementing interagency agreements and Employment Plans were not even issued until March 1980--a year after the original program announcement and about the same time that TJDP sites got underway. Coordination among agencies at the federal level was difficult. Federal Regional Councils did not begin training sessions for local employment and training staffs until late 1980. A study conducted by the U.S. Conference of Mayors found that "information about Employment Initiatives had not been fully communicated by the Department of Labor to prime sponsors" and reported that the Federal Regional Councils had not notified prime sponsors of economic development funding activities or the reporting requirements necessary for Employment Plans. TJDP staff also complained that many federal regional officials were not aware of or supportive of TJDP's goals.

TJDP was continued under the Reagan Administration. Emphasis on the Employment Initiatives program from the national level diminished, however. Thus, at no time during the history of TJDP did local officials enjoy the full support of participating federal agencies. TJDP sites were left to follow their own paths. They could not expect, and did not receive, explicit support from federal government agencies. For example, several federal agencies did not follow through with regulations that would have supported local TJDP efforts. TJDP was not an important component of a nationwide job targeting policy, as had been envisioned, but an isolated demonstration program. Local demonstration managers had to rely on their own efforts to resolve problems of interagency coordination for job and business targeting. Diminished federal support for TJDP did not destroy the demonstation effort, but the context in which it was implemented changed substantially from the one envisioned by the demonstration's planners.

Scope and Objectives of the Evaluation

In order to document and analyze the TJDP experience, the Interagency Monitoring Board awarded an evaluation contract to Rutgers--The State University of New Jersey, after a competitive selection process. Our evaluation had two principal goals:

- to assess TJDP's progress in all fourteen communities, and
- to disseminate useful information to TJDP grantees during the demonstration period and to other federal, state, and local officials at the end of the demonstration.

The assessment of TJDP was designed to measure and explain performance on the demonstration's goals within each community and comparatively. The Case Studies of TJDP sites describe, analyze, and explain the progress of the sites in achieving national objectives as well as their unique local objectives.

This Comparative Analysis examines the performance of the fourteen sites

on TJDP's central goals: (1) obtaining jobs for economically disadvantaged people from economic development projects; (2) capturing spin-off business opportunities for small, women's and minority businesses; and (3) improving the coordination of employment and training programs with economic and community development programs to achieve the first two objectives. Although the remainder of this report will address each of these objectives in detail, a brief overview of them, our evaluation strategy, and the data base for our analysis will be provided here.

Targeting Jobs for the Economically Disadvantaged

Federal, state, and local economic development programs offer a variety of incentives to private sector firms, including guaranteed and low-interest loans, tax abatements, industrial revenue bonds, and infrastructure improvements. Common to all these forms of assistance is the hope that they will lead to the creation of additional jobs in the community where the aid is provided. Employment and training agencies offer a host of programs for low-income and unemployed individuals. Whether the service is on-the-job training, vocational training in the classroom, or job search assistance, employment and training programs are intended to help make the unemployed people more competitive in the labor market and help them find unsubsidized employment.

The fundamental purpose of the Targeted Jobs Demonstration Program (and the one to which most TJDP grantees devoted the bulk of their energies) was to develop strategies and techniques through which employers who benefit from economic development programs would be induced to hire economically disadvantaged people engaged in CETA programs. Given that economic development projects will produce some private sector jobs, it was hoped that TJDP would increase the

flow of low-income people into those positions. Consequently, a major focus of our report will be describing the extent to which the TJDP sites succeeded in achieving this objective.

Targeting Spin-off Business Opportunities

Federally-funded economic development projects generate spin-off business opportunities, ranging from small contracts for building materials to large contracts for water and sewer lines. The opportunities may be long term, such as supplying linen for a new hotel, or short term, such as hauling debris away from the construction site. When the business opportunities are small and manageable, they may be particularly important to small, women's and minority business firms because they provide a chance to build capital and experience.

An objective of the Targeted Jobs Demonstration Program was to increase the amount of spin-off business opportunities that small and minority entrepreneurs receive from federally-funded economic development projects. Several TJDP sites proposed methods through which the flow of these business opportunities might increase over expected levels in their community. Several strategies were proposed. Some sites designed programs that would help small, women's and minority-owned businesses complete for business opportunities. The typical approach was to upgrade the management skills of the firms or provide them with information about business opportunities. Other approaches called for the establishment of city or county policies requiring that a minimum level of business opportunities be set aside for small, minority, and women-owned businesses. Some sites combined the two approaches. Our report will describe the approaches utilized by the sites and assess their accomplishments.

Coordinating Employment and Training Programs with Economic Development Programs

In order to target jobs and spin-off business opportunities to economically disadvantaged people and to small and minority business, TJDP grantees had to work with a range of governmental programs in each community. The typical community houses a vast array of programs, including a CETA prime sponsor, a Private Industry Council, numerous employment and training subcontractors, Offices of Minority Development Assistance, other small and minority business management assistance agencies, and several local, state, and federally financed economic development organizations. At minimum, a TJDP staff would have to be informed about the progress of economic development applications and projects so that job and business opportunities could be identified in a timely manner. Cooperative efforts would be required of employment and training staffs and economic development staffs. In one way or another, the TJDP sites had to coordinate the activities of separate organizations in order to fulfill the objectives of the demonstration.

The Targeted Jobs Demonstration Program was designed to enable fourteen communities to create and enhance local structures, procedures, and relationships in order to improve linkages between the employment and training system and the economic development system. Governmental organizations concerned with these two purposes have varying objectives, but they are complementary. Nevertheless, it was clear that new relationships would have to be established in most communities. Therefore, our report will describe and explain the success of TJDP in stimulating and institutionalizing improved coordination for job and business targeting.

Evaluation Strategy

Our evaluation of TJDP involves three components.First, the overall performance of the fourteen sites on the demonstration's three objectives will be described in detail. In each of the chapters that follows specific criteria for measuring TJDP's objectives are elaborated and the sites' performance are reported and compared. Second, we will attempt to explain the degree of progress on these performance measures. We shall pay particular attention to distinguishing between the influence of environmental or contextual variables, over which the TJDP staff had little or no influence, and the influence of the local process, over which the TJDP staff and senior administrators had more control. Third, we shall assess the performance of the sites in comparison with the conditions in the site prior to TJDP, the objectives stated in their proposals to the Interagency Monitoring Board, and with available data on job targeting in other communities.

Data Base. The description, explanation, and assessment of TJDP are based on a sizeable data base assembled through three waves of field research visits, information submitted by the TJDP sites, and data on comparable projects in other communities. The first round of field research, conducted in April and May of 1981, examined the pre-TJDP environment and assessed progress towards the demonstration's objectives during TJDP's first year. The second round, completed during October and November of 1981,investigated the progress of the sites during the previous six months and the reaction of employers to the services and objectives of TJDP. The third and final round of research, carried out in May and June of 1982, continued our examination of TJDP site performance, and also analyzed the extent to which the efforts undertaken during the demonstra-

tion might survive beyond the demonstration's ending date. The research staff spent 147 person days in the field or approximately ten and one-half days per site. In addition, the Director and Associate Director made at least one trip to each of the twelve TJDP sites where they were not conducting the case study.

In order to facilitate comparative assessments, our staff employed an extensive set of common questions and data collection routines. The entire evaluation staff assembled for two days prior to the first and third rounds of research and all but four of the staff met prior to the second wave of research in order to ensure common understandings of key concepts and uniform approaches for the evaluation. A written report summarizing the research findings was prepared by the field research associates using a common format. The first set of fourteen reports was submitted to the Interagency Monitoring Board in July 1981. Fourteen Case Studies, based on all three field visits, were submitted to the IMB in September 1982, after undergoing careful review by the central staff. The staff at the TJDP sites were also invited to comment on the Case Study and their suggestions were considered in making revisions.

Our primary source of information on TJDP consists of a larger number of structured interviews conducted by the Rutgers staff with people involved in and knowledgeable about TJDP, previous related efforts, and employment and training and economic development projects in general. Overall, 457 people were interviewed during the three rounds of research, some of them several times. Those interviewed included TJDP staff, elected officials, senior aides to elected officials, staff from CETA organizations and Private Industry Councils, and the staff of economic and community development, small and minority business

development, and planning agencies. Interviews were held with 55 employers and a structured survey was conducted with 81 private employers. Numerous telephone calls were made before and after field visits to fill in details and to check on factual statements.

Local documents were also consulted in the preparation of this report. The evaluation team reviewed the TJDP site proposal, the grantees' quarterly and final progress reports, and other TJDP staff memoranda and reports. Most of the sites supplied Quarterly Jobs-Related Activity Reports, required by the Interagency Monitoring Board for the first time in the fall of 1981. These special reports were necessary because job placement records were found to be erratic or non-existent during the first wave of field research.

Finally, we collected information on comparable programs within the TJDP communities and in other communities in order to assess the value of the TJDP enterprise. Specifically, TJDP job placement performance was compared with the performance of local employment and training organizations and with data on the placement of CETA-eligibles in economic development projects in other cities.

Organization of the Report

Our report is divided into six chapters. Chapter II summarizes some of the central findings from the Baseline Analysis of the TJDP site, offers an overview of the fourteen communities participating in the demonstration, and discusses the major contextual issues that influenced the majority of the demonstration programs. Chapter III discusses the job targeting strategies

utilized in the TJDP sites and examines the number and quality of job placements obtained through TJDP. Chapter IV describes and evaluates business assistance services provided by TJDP staff for small and minority firms. Chapter V examines inter-agency and intra-agency coordination under TJDP, compares it with progress made before the grant began, and discusses the program's enduring effects. The final chapter offers an overall assessment of TJDP's accomplishments and suggests some important lessons about program approaches.

CHAPTER II: OVERVIEW OF THE TJDP SITES AND THE DEMONSTRATION CONTEXT

This chapter describes the conditions that existed in the sites before TJDP, provides an overview of the fourteen demonstration sites and their staffing patterns, and discusses the context in which TJDP evolved between March 1980 and September 1982.

Baseline Analysis

Prior to TJDP, most of the fourteen communities were not actively pursuing TJDP-related goals. Only six of the sites had experimented with targeting jobs from economic development projects to low-income residents. Regular procedures for such efforts were absent in all but one site--Portland, Oregon--and even there the procedures had not been institutionalized. Little or no information exists on the actual number of jobs that economically disadvantaged people obtained from federal economic development projects in the TJDP sites prior to the demonstration. The absence of data reflects the low priority afforded to job targeting. It also creates serious obstacles for meaningful comparisons with performance during the TJDP period. Local respondents generally believe that low-income people obtained very few of the jobs from federally assisted economic development investments.

Four communities attempted to capture spin-off business opportunities from economic development projects for small and minority business prior to TJDP. Business development services, which might lead indirectly to increased opportunities for small and minority entrepreneurs, were generally available in most communities, but they were not reserved exclusively for the targeted firms. Although evidence of the business targeting efforts before

TJDP was limited, activity in this sphere exceeded the pre-TJDP efforts to target jobs.

Economic development, employment and training, and business assistance agencies rarely coordinated with one another prior to TJDP. Informal information sharing about economic development projects had occurred in many communities but none engaged in regular joint planning and project implementation. In sum, the pre-TJDP landscape was nearly devoid of the types of activities initiated which the demonstration grant was supposed to initiate.

Overview of the Demonstration Sites

The organizational status, staffing, timing, spending patterns, and population of the demonstration sites are summarized in Figure I. Several general observations are noteworthy.

1. The fourteen grantees were a diverse group. They ranged in size from New York City with over seven million people to Metcalfe, Mississippi with less than 1,500 residents. At the beginning of the demonstration, unemployment rates varied across the sites from highs in the Blackfeet Tribe and Metcalfe at 35 percent and 32 percent respectively, to lows in Portland, Oregon and Seattle, Washington of 5.4 percent and 5.2 percent respectively. (See Table I, page 23.)

2. Ten of the fourteen communities started their grants roughly on time, around March 1980. Four grantees experienced significant delays in initiating their demonstration projects. Milwaukee started in October 1980 when the local Private Industry Council (PIC) accepted the grant. Resignations of key staff, a city hiring freeze, and slow progress in getting their PIC organized combined to delay TJDP in Paterson for over 10 months so that it did not begin

FIGURE I: OVERVIEW OF TJDP DEMONSTRATION SITES AS OF MAY 1982

TJDP Sites (1980 Population)	Approximate Starting Date	Approximate Ending Date	Number of Positions and Organizational Location	Size of Grant	Percent of Grant Expended 5/31/81	10/31/81	5/31/82
Buffalo/Erie County NY (357,870)	June 1980	Sept. 1982	1 position in Buffalo/ Erie County PIC 2 positions in Div. of Community Development	$197,000	20%	30%	37%
Genesee County, MI (450,449)	May 1980	April 1982	3/4 position in Genesee-Flint CETA consortium 2 positions in Genesee County Metropolitan Planning Commission Employees in Genesee County Economic Development Div. and Flint Economic Development Comm. are paid for time devoted to TJDP	$197,000	50%	75%	85%
Lynn, MA (78,299)	April 1980	April 1982	All staff with Lynn office of Economic Development (OED) 2 positions located at OED 2 positions located at TJDP Div. offices	$197,000	44%	75%	100%
Metcalfe, MS (1,350)	June 1981	Sept. 1982	3 positions in the Mississippi Action for Community Education Headquarters/Greenville 2 positions in Metcalfe City Hall	$147,000	-0-	25%	75%

FIGURE I: OVERVIEW OF TJDJ DEMONSTRATION SITES AS OF MAY 1982 (continued)

TJDP SITES (1980 Population)	Approximate Starting Date	Approximate Ending Date	Number of Positions and Organizational Location	Size of Grant	Percent of Grant Expended 5/31/81	10/31/81	5/31/82
Milwaukee, WI (633,000)	Oct. 1980	Sept. 1982	1/2 position in Milwaukee PIC 1 position in Metropolitan Milwaukee Assoc. of Commerce 1 position in Milwaukee Dept. of City Development	$188,000	26%	55%	83%
Montanawide (Blackfeet Tribe) (25,922)	April 1980	July 1982	3 1/2 positions with Montana TJDP Inc.	$188,000	50%	60%	86%
New York City, NY (7,071,030)	April 1980	April 1982	2 positions with NYC-PIC: 1 position located at PIC and 1 position located at Economic Capital Corp.	$197,000	50%	75%	95%
Paterson, NJ (137,970)	Feb. 1981	Sept. 1982	4 positions in Paterson PIC	$187,000	11%	18%	64%
Philadelphia, PA (1,751,780)	March 1980	April 1982	3 positions in Philadelphia PIC	$169,000	50%	66%	99%

FIGURE 1: OVERVIEW OF TJDP DEMONSTRATION SITES AS OF MAY 1982 (continued)

TJDP Sites (1980 Population)	Approximate Starting Date	Approximate Ending Date	Number of Positions and Organizational Location	Size of Grant	Percent of Grant Expended 5/31/81	10/31/81	5/31/82
Portland, ME (61,530)	May 1980	*Sept. 1982	3 1/2 positions in Portland Employment & Training Dept., Health & Social Services Dept. 1/2 position in City's fiscal dept.	$186,000	32%	64%	82%
Portland, OR (366,000)	March 1980	Sept. 1982	3 positions in Portland, Training and Employment Division	$197,000	35%	65%	90%
San Antonio, TX (785,410)	July 1981	Sept. 1982	1 position in City Dept. of Equal Opportunity 1 position in City Dept. of Purchasing 1/2 position in City Dept. of Employment and Economic Development	$147,000	-0-	3%	27%
Seattle, WA (493,846)	Feb. 1980	April 1982	2 1/2 positions in City Dept. of Community Dev.	$197,000	25%	67%	80%
Wilmington, DE (75,000)	June 1980	Sept. 1982	2 positions Economic Development Division of the City Department of Planning	$ 82,000	25%	47%	75.2%

operation until February 1981. San Antonio and Metcalfe did not launch their TJDP projects until the summer of 1981--over a year after they were supposed to begin. San Antonio was slowed by disagreements among the city's political leaders over whether the goals embodied in TJDP were worthwhile. During this debate the city council was unwilling to accept the demonstration funds from the federal government. The grant was finally approved by the council in early July 1981, however, the project did not gather much momentum until the fall of 1981. Metcalfe was tardy in getting underway because they were unable to hire TJDP staff in an expeditious manner. With no one paying attention to TJDP's objectives, progress stood still until June when a director took over, but he did not get the program established until early fall, when four additional staffers were appointed.

3. Four of the sites completed their activities by April 1982, one finished in July, and the rest closed down their grants in September 1982. Ten sites delayed their expected completion dates because of slow expenditures of project funds. The average length of the demonstrations was slightly over two years. Metcalfe and San Antonio operated their projects for slightly over a year; Seattle and Portland, Oregon ran their demonstrations for two and one-half years. At least nine sites expect to continue some coordination activity with other federal or local resources.

4. There were two patterns for staffing TJDP in the fourteen sites. Eight communities located all TJDP staff in one host agency. Six sprinkled TJDP staff around two or more agencies. The typical TJDP site employed about three staff members. Nationwide there were about forty-five people engaged principally in TJDP activities at the height of the demonstration. Many other people from employment and training agencies and economic development organizations were indirectly involved in projects stimulated by TJDP staff.

5. Staff turnover occurred in ten of the fourteen sites during the demonstration. The original TJDP staff director left the demonstration at the end of the first year of the demonstration in Seattle and in Portland, Maine, and towards the end of the Genesee County project. Key staff also left Genesee, New York City, Paterson, and Seattle during the grant.

6. The lead administrative agency for TJDP was either the Private Industry Council or the CETA prime sponsor in six of the demonstration sites. Three projects were managed by offices of economic development; another two were handled by planning commissions. Montanawide and Metcalfe were operated by private non-profit organizations other than the local Private Industry Council. San Antonio's program was administered by a combined economic development and employment department in city government.

7. The rate of program expenditures fell behind anticipated levels in many sites. By the end of our first round of research, in May 1981, only four sites had spent half of their demonstration funds. Spending increased during TJDP's second year; ten or twelve sites will spend their full allocation. It does not appear possible for Buffalo or San Antonio to exhaust their monies during the demonstration period.

The Nature of TJDP and Its Environment

Before discussing program performance, it is important to consider the nature of the demonstration and the environment in which it functioned. These contextual variables help establish appropriate expectations for TJDP's performance.

The Nature of TJDP

TJDP was an ambitious experimental program designed to stimulate increased employment and business opportunities for minorities and low-income groups from economic development projects. Nothing quite like it had been tried before. Its focus on targeting specific projects for their jobs and business opportunities set TJDP apart from previous efforts to effect better linkages among employment and training and economic development agencies. It also made TJDP different from ongoing programs for employment and training and small and minority business development assistance.

Each TJDP site received a modest grant for a two year period during which they could test the new policy ideas embodied by the demonstration. The demonstration's objectives had no legislative or regulatory mandate, nor did local staff have federal authority to impose job and business targeting objectives on federal, state, or local economic development projects in their communities.There was no continuing federal presence upon which local TJDP staff could lean. Consequently, TJDP staff were left to fend for themselves. The demonstration's success would be largely determined by the staff's ability to persuade others that TJDP's job and business targeting ideas were worthwhile and on the degree of local political support for these ideas.

The innovative nature of TJDP caused delays and implementation problems. TJDP staff used much of the grant period going through the iterative process of trial and error. They spent months trying to develop workable procedures for negotiating with private firms, made many fruitless contacts with firms that subsequently produced no new jobs, and found that many economic development projects were cancelled after time-consuming and successful negotiations for

jobs and business targeting were complete. They waited for a long time, sometimes in vain, for their efforts to produce concrete results.

Given the obstacles inherent in TJDP, it is not surprising that most sites did not reach full stride with their demonstration projects until the second year of funding or that several sites never attained stability or successful procedures. More disappointing, however, was the approach taken by four communities--Buffalo, Metcalfe,Milwaukee, and Paterson--that simply decided to ignore TJDP's central purpose. Instead of working toward the demonstration's goals, they sought jobs and business opportunities from all private sector firms in their communities, regardless of whether they had received economic development assistance or not. These "non-targeting" communities showed little or no interest in the project targeting concept; rather they absorbed TJDP into ongoing programs of economic development and employment and training assistance. While they may have achieved other worthwhile objectives, these sites contributed little to our understanding of TJDP's objectives.

TJDP's Environment

Two environmental factors over which the TJDP staff had little or no control seriously undermined the demonstration project. The first of these was the difficulty of mounting a new initiative during a period of declining budgetary resources at the federal, state, and local levels, and the accompanying uncertainty caused by such changes. Federal funding for employment and training programs and for economic development projects was substantially reduced during the demonstration period. As a result, opportunities for targeting enterprises were curtailed. TJDP staff also had to cope with unprecedented turmoil in both the employment and training and economic develop-

ment fields. The decline of CETA funding, the anticipation of major CETA reforms, and the elimination of Public Service Employment and other programs, created enormous problems for TJDP, which was tied directly or indirectly to CETA or PIC agencies. Some competent staffers associated with TJDP fled the system in search of more secure livelihoods; CETA prime sponsors and PICs battled over shrunken resources; and remaining staff found themselves challenged to convince private employers and other governmental employees that they would be around long enough to deliver on their promises. It is hard to imagine an environment more hostile to innovation.

TJDP was also hurt by the economic recession. Depressed economic conditions, evident in all TJDP sites, made job and business targeting extremely difficult. (See Table I.) Many sites' economies went from bad to worse; others went from good to bad. For example, the unemployment rates rose from the 5 percent range to 10 percent in Seattle and Portland, Oregon; Genesee County's unemployment rose from 17.5 percent to 23 percent, and so on. The faltering economy delayed economic development projects and hiring decisions, made private employers less willing to take risks with unproven workers, eliminated construction jobs in areas where union construction workers' unemployment ran high, and depressed the morale of TJDP staff and their colleagues in employment and training and economic development agencies. The economy made TJDP more difficult to implement and clearly depressed program performance. TJDP was simply overwhelmed by the problems of the national and local economy.

Despite this hostile environment, TJDP survived and even made progress in several communities. The accomplishments of these communities must be viewed as remarkable given the difficult tasks inherent in the demonstration and the

Table I: UNEMPLOYMENT RATES IN THE TJDP SITES AT THE BEGINNING AND END OF THE DEMONSTRATION PERIOD
(in percent)

Sites	Beginning of TJDP	End of TJDP
Buffalo/Erie County	9.6	11.6
Genesee	17.5	23.0
Lynn	6.0	8.1
Metcalfe	32.0	-- *
Milwaukee	7.0	9.9
Montana	35.0	40.0
New York City	7.5	9.0
Paterson	13.3	15.4
Philadelphia	7.8	9.1
Portland, ME	5.7	7.7
Portland, OR	5.4	10.0
San Antonio	6.8	7.0
Seattle	5.2	10.0
Wilmington	10.0	13.7

* An estimate was not available, but the unemployment rate probably increased somewhat.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

environment in which it operated. Correspondingly, the poor performance of some TJDP sites is explained, in large part, by the nature of TJDP and the budgetary problems and economic conditions that existed during the demonstration period.

CHAPTER III: JOB OPPORTUNITIES UNDER TJDP

The TJDP sites received special funds to answer a novel and difficult question: can local officials increase the number of jobs that economically disadvantaged people obtain from federally assisted economic development projects? Historically, economic development programs that create jobs and employment and training programs that prepare people for private sector employment have operated in isolation from one another. Our Baseline Analysis of the TJDP sites revealed that prior to TJDP, only Portland, Oregon had experimented with a job targeting strategy. Moreover, no baseline data existed on the number of economic development jobs that were going to CETA-eligibles prior to TJDP. The notion that local officials should attempt to leverage jobs for the economically disadvantaged from economic development projects was not on the local political agenda before TJDP.

Though the *idea* of negotiating with private employers to obtain benefits for low-income groups seems simple, our analysis of TJDP clearly demonstrates that accomplishing positive results is very difficult in reality. To begin with, the demonstration project was initiated under the Carter Administration, which espoused targeted economic development strategies. TJDP was to be a component of the nationwide Employment Initiatives program. Rhetorically, at least, the federal government fully supported the goals of job targeting and thus TJDP.

With Employment Initiatives merely a dim memory, the TJDP sites were left to determine their own paths. Given the fluid national policy environment, it is not surprising that the sites held widely different interpretations of and commitments to the original TJDP concept of job targeting. Ten of the fourteen sites attempted to develop new policies and practices emphasizing job targeting, but these ranged from exhortations that employers should cooperate

with CETA agencies to city council ordinances mandating agreements between publicly-assisted private employers and the CETA agency. In most of the demonstration sites, TJDP was interpreted to mean that local employment and training agencies should somehow *link* their programs with economic development assistance. In short, most sites had no intention of negotiating with firms to reach *legally-binding agreements* through which firms would hire the disadvantaged. Rather, they *jointly packaged* economic development incentives with employment and training incentives. Economic development programs were used as a means for getting the CETA client's foot in the door. The weakest of these approaches could fairly be characterized as "a little carrot and no stick."

An equally significant finding from the research was that four of the sites--Buffalo, Metcalfe, Milwaukee, and Paterson-- did not even attempt to carry out the TJDP concept. Instead, they absorbed the demonstration project into programs of general employment and training services. TJDP was virtually indistinguishable from the organization in which it was located.

Given the grantees' divergent strategies and the fact that several grantees did not even attempt to target jobs from economic development projects, it is difficult to apply uniform criteria for comparing and evaluating TJDP performance. The demonstration sites deliberately chose different yardsticks for themselves. Communities that targeted jobs had different objectives and orientations than those that did not target jobs. Some sites concentrated on developing enduring mechanisms that would produce high quality jobs for the CETA-eligible individuals; others tried to generate rapidly a large number of secondary labor market jobs. The former sites thought

that they should be judged not by the number of placements produced during a short-lived demonstration, but by the quality of their process. The latter sites felt that job quality should not be an issue because obtaining any job for an unemployed person is an achievement. The sites that did not target jobs maintained that job leveraging was inappropriate for their community because they could not afford to anger potential employers with additional requirements.

We used two methods for evaluating the job opportunities objectives. Each site was evaluated by a Field Research Associate on the basis of what the site actually accomplished. These judgments are reflected in thorough Case Studies of each community. The sites were also evaluated according to criteria that reflect the central policy questions in TJDP:does job targeting work and, if so, what are the most effective approaches? TJDP was a special *demonstration program* designed to provide information about the effectiveness of a general strategy--job targeting for the economically disadvantaged.

Having chosen the TJDP job targeting concept as the guiding principle for our comparative evaluation, we nevertheless used *multiple indicators* of progress towards this goal. Consequently, this chapter describes and analyzes the job opportunities component of the demonstration according to four criteria:

- the development of effective job targeting strategies;
- the number of jobs obtained by CETA-eligible individuals due to TJDP;
- the quality of jobs obtained by CETA-eligible individuals; and,
- the extent to which the TJDP strategy has altered the normal hiring patterns of private firms or the flow of job opportunities for the economically disadvantaged.

In addition, we compared TJDP's performance with the sites' stated objectives from their proposal, with job placement by CETA and PIC agencies in the TJDP sites, and with data on the employment of economically disadvantaged people in federally assisted economic development projects. Overall, the four assessment criteria, when combined with our comparative information, offer varying perspectives on TJDP performance and a comprehensive evaluation of the job opportunities objective of the demonstration.

The data base for our evaluation is derived from four sources: interviews with TJDP staff, professionals in employment and training and economic development agencies, and, where appropriate, elected officials or their principal aides; Quarterly Jobs -Related Activity Reports submitted by the grantees; interviews and structured surveys with 136 employers across the fourteen sites who had either hired or agreed to hire people through TJDP or who had received economic development assistance; and data from the U.S. Department of Housing and Urban Development on the characteristics of people hired by employers assisted under the Urban Development Action Grant Program. One data source that we had hoped to mine simply did not exist; there was no systematic evidence on the characteristics of people hired under federally assisted economic development projects in these communities prior to or during TJDP. In order to judge whether TJDP made a difference in the hiring of economically disadvantaged people, we shall rely on the reports of the TJDP staff and the responses of the employers we surveyed.

Developing Effective Job Targeting Strategies

The first criterion for assessing the job opportunities objective is the extent to which the community implemented an effective strategy for targeting jobs for the economically disadvantaged from economic development projects.

The ability of the local community to institute effective policies and procedures is particularly important given the nature of the demonstration project. Job targeting by its very nature is bound to be a difficult and protracted process. It not only involves getting two or more local agencies to work with one another, but also requires changes in agency priorities. Though the demonstration projects are short-lived, lasting impacts could be significant if procedures were established and institutionalized. Finally, because many economic development projects take years to bring to completion, an exclusive focus on "jobs produced during the demonstration period" is unfair and shortsighted. A thorough and fair assessment of TJDP must consider the potential for long-term institutional change by examining the local job targeting strategy.

What are the elements that must be brought together to form an effective job targeting strategy? In our view, the most *effective* strategy would consist of six elements:

- a job targeting policy,
- supportive agency procedures,
- direct and early negotiations with employers that produce hiring agreements,
- careful employee screening and timely referrals,
- monitoring procedures, and,
- enforcement mechanisms that can be imposed on the private firms if they refuse to honor hiring agreements.

Together these elements constitute a comprehensive job targeting strategy, an "ideal type" that any community wishing to carry out TJDP's job targeting goals would have to approximate. Each of these criterion for effectiveness will be discussed briefly; then, TJDP sites will be assessed in relation to them.

1. A policy supporting job targeting. In order to have a successful job targeting strategy a community should develop policy statements that require private firms receiving economic development assistance to enter into hiring agreements with the city or county economic development and employment and training agencies. Short of requirements, a city or county policy statement should at least endorse the concept of job targeting and encourage its use.

Some federal economic development programs, such as Urban Development Action Grants (UDAGs), contain language in their statutes that could be used to promote job targeting that promises tangible benefits for low- and moderate-income residents. Such federal guidelines were useful in a few sites because local officials could point to federal mandates as a justification for insisting that low-income people should benefit from economic development projects. In the long run, however, reliance on general federal policy statements did not carry the job targeting approach very far. Local policy support was essential.

2. Agency procedures that support job targeting. Regardless of the type of policy statement adopted by the community's policy-making bodies, economic development and employment and training agencies need concrete procedures to make job targeting work. Procedures for identifying economic development opportunities must be created so that coordinated approaches can be made. Also, job targeting policy statements need not precede other agency actions designed to encourage job targeting. It may take a community several years to reach a consensus over job targeting policies. The experience and confidence gained through less formal, but meaningful agency policies may

foster agreement among the community's political leaders that job targeting is both desirable *and* workable. For example, New York City's political leaders have adopted no formal policy statements, yet the City's Economic Capital Corporation, which administers UDAGs and Revolving Loan Funds, requires hiring agreements of most grant or loan applicants.

3. Direct negotiations between the employer and the city/county agency at an early stage in the economic development process. The private firm seeking economic development assistance must be contacted early in the development process so that the receipt of aid and the commitment to hire low-income people are directly linked with one another. The provision of low-interest loans, grants, and other public assistance can be used as an incentive to gain concessions from the private firm, but if conversations about hiring the disadvantaged are postponed until a later time, the ability to negotiate for job opportunities is diminished and the private firm is encouraged to treat such discussions lightly.

Agencies that train and refer economically disadvantaged clients to the private firm,including organized labor unions in some cases, should be directly engaged in the negotiation process with the principals of the firms. The agency representatives should be there to describe the characteristics of the CETA population and explain the range of services their agency offers and also so that they fully understand the needs of the employer. During the negotiations they should review the hiring needs of the employer and agree on realistic and accurate projections of the number, types, and timing of jobs that will be created through the economic development investment.

Finally, the agreement worked out between the agency and the private firm should be carefully discussed and clearly understood. Each party should

understand what it has committed to and when it will be expected to deliver.

4. Careful employee screening and timely referrals. If private firms agree to hire CETA-eligibles, the employment and training agencies must be prepared to fulfill their part of the bargain. When employers request workers, the agency must supply an adequate number of qualified applicants in a timely manner. Hiring decisions rest with the employer, but the agencies must supply people that meet the minimum specifications of the private firm.

5. Procedures for monitoring hiring agreements. The government agency responsible for the hiring agreement should monitor the progress of the economic development project and the private employers who agree to hire low-income residents. Because the interval between the hiring agreement and actual hiring may be many months, the local agencies must monitor the project's progress in order to determine when to make referrals, whether the terms of the hiring agreement are being fulfilled, and, if not, what problems led to non-compliance.

6. Enforcement mechanisms should be available if private firms refuse to carry out the terms of the hiring agreement. In most cases, disagreements between the employer and the government agency can be resolved through discussion. However, when an employer clearly refuses to honor hiring agreements and/or makes it impossible for the agreement to work, the city or county should have sanctions available. For example, they should be able to call a loan due, or reimpose taxes, or revoke a loan guarantee. The local government needs to have a "stick" that can be wielded when necessary.

These six criteria for an effective job targeting strategy are demanding.

In order to be most effective, a large number of conditions must be met. Several contacts over an extended period of time will take place between the governmental agency and the employer; hiring agreements must be carefully negotiated by people who are knowledgeable and flexible, yet firm. If the agency does not fulfill its responsibilities at any point in the process, the ultimate value of the enterprise will be reduced. It is a lengthy and complicated process with many opportunities for missteps.

Figure II summarizes our evaluation of the fourteen demonstration sites' job targeting strategies. In reaching overall characterizations of their performance, we considered (1) whether the job targeting criterion was present (e.g. did the site have a job targeting policy or not?) and (2) how well the element was functioning (e.g. was the policy strong, moderate, weak, or absent.)

Based on our analysis, we grouped the sites'strategies in five categories: excellent, good, fair, poor, and absent. Portland, Oregon had the only excellent job targeting strategy. Lynn, New York City, Portland, Maine, and Montanawide had good strategies. Fair strategies existed in Genesee County and Seattle. Philadelphia, San Antonio, and Wilmington had poor strategies. Buffalo/Erie County, Metcalfe, Milwaukee, and Paterson had no job targeting strategy, as we define it.

Portland, Oregon was rated excellent because of its strong policies, procedures, negotiating processes, monitoring, and potential enforcement procedures. Portland fully implemented and institutionalized the original TJDP job targeting concept. The provision of economic development assistance was used by the city's staff to lever jobs for CETA-eligible residents. Portland pioneered the use of a technique known as the First Source Agreement in 1979. The First Source

FIGURE II: AN ASSESSMENT OF JOB TARGETING STRATEGIES IN THE TJDP SITES

Sites	Policy	Agency Procedures	Negotiating Process	Screening & Referral	Monitoring	Enforcement	Overall Assessment
Buffalo[1]	--	--	--	--	--	--	Absent
Genesee	Moderate	Weak	Weak	Moderate	None	None	Fair
Lynn	None	Strong	Moderate	Weak	Moderate	None	Good
Metcalfe[1]	--	--	--	--	--	--	Absent
Milwaukee[1]	--	--	--	--	--	--	Absent
Montanawide	Strong	Strong	Moderate	Moderate	Strong	Strong	Good
New York	None	Strong	Moderate	Moderate	Moderate	None	Good
Paterson[1]	--	--	--	--	--	--	Absent
Philadelphia	Weak	Moderate	Weak	Weak	Weak	None	Poor
Portland, ME	Moderate	Strong	Moderate	Weak	Moderate	None	Good
Portland, OR	Strong	Strong	Strong	Strong	Strong	Strong	Excellent
San Antonio	None	Weak	None	Moderate	Weak	None	Poor
Seattle	Weak	Moderate	Weak	Moderate	Weak	None	Fair
Wilmington	Weak	Weak	Weak	None	Weak	None	Poor

1 These communities did not attempt to implement the job targeting concept. Job developers obtained leads from economic development agencies, but after the aid had been granted to the firm.

Agreement is a legally binding agreement negotiated between the City's CETA prime sponsor and private companies that obtain public assistance in the form of low-interest loans, tax abatements, infrastructure improvements and so on. In these agreements, the companies agree to use the CETA agency as their first recruiting source for all jobs covered by the contract. Only if the city is unable to supply adequate and qualified labor can the employer seek employees elsewhere, but the hiring decision rests with the employer alone. The agreements may last up to five years or more. The First Source Agreement strategy was promulgated in various city planning documents and supported by two Mayoral administrations. Each agreement was endorsed by city council ordinance. Strong agency procedures to carry out the policy were developed and strengthened during the demonstration period. Monitoring was accomplished through quarterly hiring reports submitted by employers. Enforcement procedures were available (though not invoked) whereby the city or the employer could request arbitration to resolve disagreements. Revocation of a loan was available as a remedy for firms that refused to honor their commitments. In summary, Portland's First Source Agreement strategy was an excellent one for achieving TJDP's objectives.

Good, but incomplete strategies existed in Lynn, New York City, Montanawide, and Portland, Maine. Of this group Montanawide and Portland, Maine had official policies supporting job targeting; Montanawide's was based on the sovereign rights of Indian Tribes and on authority granted by federal legislation that enables tribes to impose hiring quotas. Portland, Maine's policy encouraged, but did not require, employers to make an effort to cooperate in hiring CETA-eligible individuals. All four communities had strong agency procedures that required job targeting agreements. For example, New York City's Economic Capital Corporation almost always included a less detailed form of the First Source Agree-

ment used in Portland, Oregon in UDAG and Revolving Loan Fund deals. Lynn's Economic Development Office required all applicants to work with the TJDP office to target jobs for CETA-eligibles. Where these four communities fell short, however, was at the negotiating and follow-up stages of the process. They had good procedures for getting low-income people into agreements with firms assisted by economic development programs, but the agreements were rather vague and they lacked methods that would ensure that the CETA-eligible individuals were eventually hired.

Genesee and Seattle did a fair job of targeting positions for low-income people. They had moderate to weak city and county policies about job targeting, weak procedures for cooperation between economic development and CETA agencies and very weak negotiating processes. In Genesee County, for instance, CETA agency personnel entered discussions with publicly assisted firms *after* the economic development application was approved and even then the firm was not required or expected to cooperate. Instead, economic development staff with indifferent or hostile attitudes toward CETA programs and clients explained CETA services to the firm. If the firm was still interested, a CETA staffer would then call on the employer. Private employers in these two communities were not expected or even asked to hire CETA clientele as a condition for the receipt of economic development aid, nor was such a *quid pro quo* implied in the discussions, as it was in Lynn and New York City. Rather, CETA services were presented as an additional benefit for the employer. If the employer was uninterested in CETA clients, the discussion ended there. Genesee and Seattle had fragments of a job targeting strategy and good intentions, but their procedures and policies never reached operational muturity.

Three communities had poor job targeting strategies: Philadelphia, San Antonio, and Wilmington. Each community made some attempt to pull together a policy, agency procedures, and methods for implementing the TJDP job targeting concept, but they were all rather unsuccessful. San Antonio was so late getting underway that it never really had time to implement a thorough job targeting strategy and the staff's energies were concentrated more on carrying out the business opportunities objective of TJDP. Philadelphia and Wilmington put more effort into developing a strategy, but they too came up short. Wilmington's TJDP program was buried too far down in the city's hierarchy to be effective. Philadelphia focused initially on helping revitalize the city's American Street Corridor area and only belatedly concentrated on obtaining jobs from major federally funded economic development investments.

Four communities had no job targeting strategies during the demonstration period: Buffalo, Metcalfe, Milwaukee, and Paterson. Metcalfe is placed here because the project never really went beyond the exploratory stage of implementing a job targeting strategy. More important there was little economic development activity going on in the community and hence little or no immediate need for a process to obtain jobs for the community's residents.

Buffalo, Milwaukee, and Paterson are located in this category for an entirely different reason. These communities made no attempt, whatsoever, to carry out the original intent of TJDP. They rejected the job targeting concept in principle. Instead, they marketed employment and training assistance and CETA-clients to all firms in their communities, regardless of whether the firm had received economic development assistance or not. They occasionally dealt with firms that had obtained economic development aid, but this was coincidental, not part of a planned strategy, and not for the purpose of targeting jobs in

advance. The hiring of CETA-eligibles was not linked directly or indirectly to the provision of economic development assistance. However useful their efforts might have been to obtain jobs for low-income people (and all were somewhat successful in doing so), their experience cannot be used to judge the utility of the job targeting concept. They carried out traditional employment and training functions and never implemented an effective job targeting strategy.

Explaining Job Targeting Strategies

The record of the TJDP sites on job targeting strategies was mixed. Only one site developed an excellent approach, four were judged to be good, and the rest were either fair, poor or non-existent. Several factors account for this varied performance.

1. Lack of Legal or Regulatory Requirements at the Federal Level.

The absence of encouragement or pressure from the federal establishment was important in shaping TJDP job targeting strategies. While some federal legislation establishing economic development programs mentions the importance of serving low-income groups, these objectives either do not have the force of law or they receive little or no priority during the implementation process from federal officials at the regional level and they do not specifically require the hiring of CETA-eligibles. TJDP staff in cities that sought support from the federal government obtained little or no backing from federal funding sources for the job targeting concept. More important the TJDP sites not engaged in job targeting were never encouraged or pressured to take corrective action. In other words, because job targeting lacked legal or regulatory authority, program implementation depended entirely upon the local policy environment. Local officials were in the awkward position of adding requirements on the use of federal funds not imposed by Congress or the executive departments.

2. Political Support for Job Targeting. Given the absence of federal support, the degree of local political support for using economic development projects as an opportunity to garner jobs for low-income residents was a very important explanation for the job targeting strategy chosen by the TJDP sites. In those sites where job targeting processes were well developed and effective, political leaders publicly and privately endorsed the job targeting objectives of TJDP. In Portland, Oregon, Portland, Maine, Montanawide, Lynn, and New York City, senior elected and appointed officials expressed support for TJDP through council resolutions or in meetings with key economic development and employment and training staff. In the less successful communities, political leaders either openly opposed TJDP job targeting strategies or the TJDP staff was unable to get the issue onto political officials' agendas.

3. The Attitudes of TJDP Staff and Agency Heads. The attitudes of key staff members towards job targeting were also a principal explanation for progress on job targeting strategies. The notion of leveraging jobs for the economically disadvantaged from economic development projects divided local staff along philosophical lines. Key agency officials in Paterson, Milwaukee, and Buffalo, for example, did not believe it appropriate for the city to negotiate with private firms on behalf of the CETA-eligible client; consequently, they refused to experiment with the idea in their communities. In contrast, Portland, Oregon's First Source Agreement strategy was well entrenched before TJDP got underway. The city's political leadership and agency directors had debated the issue and decided that hiring agreements were an appropriate and potentially effective mechanism for getting low-income people into jobs created by economic development investments. A middle-of-the road view was held in

places like New York City, Lynn, and Portland, Maine where the staff and agency heads thought that CETA-clients should be given access to economic development jobs, but that private employers should not be expected to use CETA agencies as an exclusive source for entry level employees.

The attitudes of staff and agency directors were shaped by several factors. One was their conception of the proper role of economic development and CETA agencies. Because the staffs of many economic development agencies view themselves as private sector advocates and hold negative opinions of CETA programs, they resisted efforts to impose hiring requirements on firms. In their view, the economic development agency is in business to reduce red-tape and other obstacles to the private sector, not to "impose" additional requirements. Many CETA and PIC staff either shared this view or acquiesced to positions articulated by economic development staff.

The orientations of economic development and CETA/PIC staff were reinforced by their perceptions of the economic forces influencing growth in their community. Many staff cited their community's weak economy as a justification for eschewing job targeting strategies. They feared that hiring agreements--whether mandated or not--would render their city or county less competitive with adjacent communities and create an unhealthy business climate. However, the way staff interpreted the economy depended more upon their basic orientations than on empirical realities. Staff members and agency heads in Portland, Oregon--where the unemployment rate doubled during the demonstration--did not view their troubled economy as a hindrance to TJDP's objectives. In fact, they argued that unfavorable economic conditions could enhance the value of low-interest loans and other economic development tools, thus strengthening the negotiating position of the agencies giving them out. When economic conditions

are poor, they argued, private firms will be willing to enter into any reasonable agreement that gains them low-interest loans or other economic development aid.

Support for this view comes from Rutgers' structured survey of 81 private employers in the TJDP sites. Each was asked whether it was appropriate for city or county governments to seek agreements whereby employers are expected to hire low-income people in return for economic development assistance. Two-thirds of those surveyed answered yes. Only one in five thought it was inappropriate; the rest had no opinion. Most employers told Rutgers' staff that they signed the hiring agreements in order to obtain the favorable loan rates offered by the economic development agencies; others signed agreements because they felt the screening and referral services offered by the CETA agency would be helpful. Interestingly, firms with experience under hiring agreements were more positive about the concept of job targeting, than firms that had no experience under the demonstration program. Whereas firms with hiring agreements supported the concept by a 3 to 1 margin, employers who had not been approached to sign an agreement divided equally over whether it was appropriate for government to seek such agreements.

4. The Administrative Environment. Another set of conditions that determined the success of TJDP job targeting strategies was the administrative environment in which TJDP functioned. Even if the job targeting concept was supported by agency administrators and political officials, TJDP's operating environment would determine how well the strategy worked. Instability in the agencies housing the demonstration, including staff turnover, agency reorganization and staff confusion hindered TJDP in several communities. The uncertainty

and administrative turmoil caused by federal budget cuts in CETA and economic development programs, as well as the impending reauthorization of CETA, created a general malaise in several agencies. Conversely, the stability of agencies in more successful sites helped overcome some of these difficulties.

The location of TJDP staff also fostered or hindered TJDP progress. Staff in more successful sites, such as Portland, Oregon, New York City, and Lynn, had access to key decision-makers and obtained timely information from both the employment and training and economic development agencies. For example, one of New York City's TJDP staff was located at one of the city's larger economic development agencies. He took advantage of formal and informal opportunities to learn about economic development projects and to build support for TJDP's job targeting objectives. In contrast, staff in such sites as Seattle and Wilmington suffered from their relatively low position in the city's bureaucracy and the accompanying lack of access to department and city policy-makers.

5. Personnel Assigned to TJDP. The ability and persistence of TJDP staff significantly affected the implementation of effective job targeting strategies. Staff in the more advanced sites mastered demanding and delicate tasks associated with TJDP, developed workable procedures, negotiated among agencies with different agendas, learned about the complex array of economic development and CETA programs, and became effective advocates of job targeting goals. Portland, Oregon's First Source Agreement enjoyed political support, but it worked because the CETA prime sponsor director personally supervised the process and assigned his most able staff members to handle it. Because TJDP in other communities was usually assigned to a mid- or lower-level staff member, staff skill was especially important. In less successful sites, the well-intentioned staff responsible

for TJDP were simply not able to overcome the obstacles before them.

The Number of Jobs Obtained by CETA-Eligible Individuals

A second, and obvious, criterion for evaluating the job opportunities goal of TJDP is the number of jobs obtained by CETA-eligible individuals due to TJDP staff efforts. During Rutgers' first round of field research, we discovered that job placement information was haphazardly kept in some sites and did not exist in others. Therefore, the Interagency Monitoring Board requested that each grantee submit a Quarterly Jobs-Related Activity Report with information about job placements from TJDP activities. Usable data were submitted by eleven sites. Buffalo/Erie County refused to submit the information requested, perhaps because the TJDP effort was interchangeable with their Private Industry Council's programs. Montanawide submitted information, but it could not be meaningfully compared with the other sites because the placement records of all Tribal Employment Rights Office, Indian Action Teams, and CETA-subsidized placements were included. It was not possible to separate those placements from placements gained through the work of TJDP staff. Metcalfe also made a report, but we excluded it from our comparative analysis because the data were unreliable.

Before analyzing the data several caveats must be entered. First, the data presented here are official tallies submitted by the TJDP staff. Rutgers' evaluators could not independently verify these data, but we eliminated cases of obvious double counting or inaccurate reporting. Second, each TJDP job placement is counted equally, even though some lasted no more than a few days and others laster much longer. TJDP staff did not track the duration of jobs.

Third, the jobs presented here are those reported by TJDP funded staff. The figures do not represent the total number of CETA-eligible individuals hired by a firm in the eleven communities for which data are available, but the number of CETA-eligible people counted by the TJDP staff. Though the number of CETA-eligible people hired by private employers without the knowledge of the TJDP staff was probably small, we are not able to estimate the magnitude of this kind of hiring. Fourth, many of the jobs obtained for CETA-eligibles were neither located with firms that had received economic development assistance nor were they produced via formal or informal hiring agreements. Thus, for example, none of Paterson's 144 jobs or Milwaukee's 66 jobs were generated through hiring agreements and most of the jobs were not with firms participating in economic development projects. In contrast, all of Portland, Oregon's 75 jobs and most of New York City's 131 placements were obtained through hiring agreements with economic development-assisted employers. This last point is particularly important. Sites that did not attempt formal job targeting strategies would be expected to obtain more placements in a shorter time period because all private sector firms in their communities were potential sources of jobs for their clients. Those that hewed to the original intent of TJDP engaged in a more difficult process, limited the types of businesses with which they could deal, and tied their placement success to the timetable and progress of economic development projects. We shall return to this point later when we explain variations in the sites' performance.

Overall, the eleven sites reporting usable information produced over 1000 jobs for CETA-eligible individuals during the demonstration. The data, presented

in Table II for all sites, report on three time periods--the first field visit in May 1981 (when all but a few sites had completed their first year), the second field visit in November 1981, and the third visit in June 1982 (near the end of the demonstration in ten sites and after the demonstration finished in four others.) The longitudinal information reveals marked progress for TJDP during the second year of the demonstration. The number of jobs reported by TJDP staff doubled between May 1981 and November 1981 and almost doubled again by May 1982. Substantial progress between the first and second year was made by all sites except Milwaukee and Seattle where only modest gains were recorded. Among those sites practicing a targeted jobs approach, Portland, Maine made the largest gain from the first to the second year, increasing the number of placements from 11 to 155. The leader for total jobs produced during the demonstration was Lynn at 196. San Antonio, with 40 placements, produced the fewest number of jobs among those sites reporting data, although its project was in operation for less than a year when the last measure was taken.

Several sites expect that additional placements for CETA-eligibles on economic development projects will result from efforts undertaken during the demonstration period. For example, Portland, Oregon has signed over twenty First Source Agreements that could lead to approximately 400 entry-level jobs for CETA-eligible individuals over the next three to five years; New York City hopes to obtain over 2,500 jobs during the next several years from the 79 employers with whom they have hiring agreements; Portland, Maine expects another 250 placements from projects already under development. Unfortunately, most of the sites do not have systematic records of the number of jobs that might result from hiring agreements already signed. Therefore, we cannot predict how many additional

Table II: CUMULATIVE JOB PLACEMENTS REPORTED BY TJDP STAFF

Sites (Approximate starting date)*	First Field Visit May 1981	Second Field Visit November 1981	Third Field Visit June 1982
Buffalo/Erie[1] (June 1980)	No Estimate	No Estimate	No Estimate
Genesee (May 1980)	17	44	90
Lynn (April 1980)	116	177	196
Metcalfe[2] (June 1981)	No Estimate	No Estimate	No Estimate
Milwaukee[5] (October 1980)	39	53	66
Montanawide[3] (April 1980)	No Estimate	No Estimate	No Estimate
New York City (April 1980)	45	109	131
Paterson[4 and 5] (February 1981)	7	43	144
Philadelphia[5] (March 1980)	11	33	45
Portland, ME (May 1980)	11	49	155
Portland, OR (March 1980)	5	25	75
San Antonio (July 1981)	0	5	40
Seattle (February 1980)	30	49	50
Wilmington (June 1980)	11	38	72
Totals	292	625	1,064

Table II: (continued)

Sources: Quarterly Jobs-Related Activity Reports submitted by TJDP Staff and Estimates provided to Rutgers Field Research Associates by TJDP staff.

1. No Quarterly Reports were submitted.
2. Quarterly Reports were submitted but the data are unreliable.
3. Quarterly Reports were submitted but the data are non-comparable.
4. Includes all placements made by the Private Industry Council whose staff was largely funded by TJDP. The totals include placements from the PIC's machine tool operators program, on-the-job training placements, and direct placements into private sector jobs.
5. Includes a number of placements in firms that did not receive economic development assistance.

* All TJDP projects were expected to end by September 30, 1982 at the latest.

jobs will be obtained, only that more jobs will undoubtedly be produced due to the efforts of TJDP staff in sites that had excellent or good job targeting strategies--Portland, Oregon, Lynn, New York City, Montanawide, and Portland, Maine.

Table III compares the jobs reported by TJDP sites with the number of jobs projected in their original proposal to the Interagency Monitoring Board. The ten sites where we can make comparisons achieved only 18 percent of the jobs they originally projected. Portland, Maine came closest to matching its planned performance level by attaining 62 percent of the jobs they initially expected. New York City, however, achieved only 5 percent of its planned placements.

Explaining Job Placements

Data from the TJDP sites indicates great variation among the fourteen sites in the numbers of jobs obtained and in the extent to which they achieved their planned objectives. What accounts for these varied results and for the gap between planned and actual job placements?

1. Job Targeting Strategies. The job targeting strategy elected by the TJDP staff and its effectiveness had a profound influence on the number of jobs obtained by CETA-eligible individuals. Significant differences in strategies explain why sites like Portland, Oregon, with an extremely effective job targeting strategy had considerably fewer placements during the demonstration period than a site like Paterson, which had no job targeting strategy, as we define it. Portland, Oregon, New York City, Portland, Maine, Seattle, and Lynn intentionally chose a complex and protracted process. They chose an innovative route to job placements--the one intended by the demonstration's planners.

Table III: COMPARISON OF THE NUMBER OF JOBS ORIGINALLY PROJECTED BY TJDP SITES WITH THE ACTUAL NUMBER OF JOBS OBTAINED FOR CETA-ELIGIBLES DURING THE DEMONSTRATION

Sites	Planned Number of Jobs[1]	Actual Number of Jobs[2]	Percent of Planned Jobs Achieved
Buffalo/Erie County	2,700	No Estimate	Not Applicable
Genesee	300	90	30
Lynn	800	196	25
Metcalfe	467	No Estimate	Not Applicable
Milwaukee	400	66	17
Montanawide	787	No Estimate	Not Applicable
New York City	2,490	131	5
Paterson	325	144	44
Philadelphia	100	45	45
Portland, ME	250	155	62
Portland, OR	Did not Propose a specific number	75	Not Applicable
San Antonio	200	40	20
Seattle	238	50	21
Wilmington	384	72	19
Sub Total: Sites with Planned and Actual Job Placement Data	5,487	989	18
Sub Total: Sites with only Planned or Actual Placement Data	3,954	75	Not Applicable
Total	9,441	1,064	Not Applicable

1. From the site's TJDP Proposal.
2. Based on reports of TJDP staff as of June 1982.

The central objective of the demonstration was to examine how many jobs could be obtained through a job targeting strategy and not merely to continue traditional approaches for helping the economically disadvantaged obtain jobs. Contrast the approach used in the "targeting" sites, with the approach used in Buffalo, Paterson, and Milwaukee where the staff did not have to negotiate with firms receiving economic development assistance or wait for economic development projects to mature.

Helping low-income unemployed people obtain private sector jobs is a worthwhile endeavor no matter what approach is utilized. However, from the standpoint of the demonstration's objectives, the placements in the "targeting" sites were more meaningful than those in "non-targeting" sites because they were obtained through the job targeting approach. Because the"non-targeting" sites chose the easier path, it is not surprising that they obtained more jobs during the demonstration period. It is time consuming to develop jobs through a targeting jobs strategy. The fact that it is difficult, however, does not rule out its potential benefits. For example, the efforts undertaken by Portland, Oregon during the demonstration could well yield another 400 jobs because long-term hiring agreements have been signed with firms planning to expand. In contrast,there are little or no anticipated job placements that will occur in future years from the efforts undertaken in Milwaukee or Paterson.

Within sites that attempted to target jobs, the quality of their approach made an important difference in producing job placements. In particular, the quality of screening, referral, and monitoring was important in explaining the difficulties of some sites. For example, New York City's performance would have increased if they had developed a better procedure for referring

qualified applicants in a timely manner. Other sites simply lacked the basic policy and agency support to implement effective strategies. Thus sites like Wilmington, Seattle, and Genesee were not brought into the economic development process at a sufficiently early stage to take advantage of job opportunities and they received little or no backing from their superiors for the job targeting concept.

2. The Decline in the Economy. Beyond the approach used by the staff, the declining economic condition of the TJDP sites was the principal explanation for TJDP's performance. Poor economic conditions caused delays and cancellations of economic development projects. Many projects simply could not go forward given the high costs of borrowing money; the downturn in the business cycle made firms less willing to risk costly expansions. We found that over half of the economic development projects included in the original TJDP proposal were either completed by the time the demonstration began, cancelled, or delayed beyond the termination date for the TJDP project. The state of the economy caused many business failures and lay-offs. Nationwide, unemployment was 6.2 percent when the demonstration began; it increased to 9.8 percent by the summer of 1982. The clients of most TJDP projects were slated to fill positions created through expansion, but many of the firms were just not able to hire the people they planned to hire.

The influx of unemployed, but experienced, workers into the labor market due to increasing unemployment levels in all sites (See Table I, page 23) provided stiff competition for CETA-eligibles and the TJDP staff trying to place them. Employers were more selective and less willing to hire unproven workers; there was an ample supply of recently laid-off workers with more formal education and job experience. An excellent example of this is provided

by the experience of the TJDP staff with the new Hyatt Hotel in Genesee County. Because it was funded in large part by an Urban Development Action Grant, the hotel agreed to hire 86 low- or moderate-income people for its staff of 215. The CETA prime sponsor conducted an intensive screening of the area's CETA-eligible population for the hotel's personnel managers; the prime sponsors also funded a training program for restaurant and hotel management, using the Hyatt Corporation's training procedures. When the hotel announced its intentions to hire people, hundreds of job seekers including many recently laid-off auto workers completed applications and sought interviews. With an unemployment rate of 23 percent, the Hyatt had no trouble finding a full supply of experienced workers; only 26 of the 215 hotel employees were trained or even recruited by Genesee's TJDP staff.

One particularly devasting problem caused by the poor economy was the failure of TJDP staff to generate construction jobs for CETA-eligibles. Most TJDP proposals anticipated many jobs for CETA-eligible individuals during the construction phase of economic development projects, but this simply did not happen (See Table IV, page 58). Of the eight communities that targeted construction jobs in their proposals, four obtained none during the demonstration. Only Montanawide , Portland, Maine, Seattle and San Antonio were able to obtain construction jobs, but overall, these jobs amounted to less than 10 percent of the total number obtained through TJDP. CETA-eligibles were unable to get construction jobs because there were too many qualified, unemployed, union members who were the first people called back when construction activities began.

3. Timing of Economic Development Projects and Hiring Agreements. An important explanation for the number of jobs produced by even the more effective

TJDP sites is the long delay between initial applications for economic development assistance and project completion and hiring. Staff in New York City estimate, for example, that the average economic development project takes over 250 days from the time of application to completion. Hiring decisions may be made months or even years later. Consequently, as we indicated above, the number of jobs obtained during the demonstration period is not a thorough representation of the number of jobs that may be produced by the efforts of TJDP staff. Hiring agreements have been put in place for several hundred additional jobs, but the actual totals produced by TJDP will not be known for several years. Given the fact that many TJDP sites did not really get underway with their job targeting strategy until their second year, it is understandable why many of the sites with effective strategies have relatively few jobs to show for their efforts.

4. Overestimates in Proposals. TJDP proposal writers apparently overestimated the number of jobs that economic development projects would produce in their TJDP proposals. They discovered that many economic development projects either create no new "permanent" jobs or create far fewer jobs than anticipated. Unfortunately, however, they included the inflated figures for jobs in their TJDP proposals. This miscalculation helps account for the fact that no TJDP site achieved the number of job placements contained in its proposal.

Comparisons with Ongoing CETA and PIC Programs

The job targeting concept promoted through the Targeted Jobs Demonstration was originally advanced as a method to help low-income people obtain larger shares of the employment benefits produced by federally-financed economic

development projects. TJDP was justified primarily on equity grounds rather than because it was a more efficient strategy. The question of whether TJDP actually increased the flow of benefits to low-income people will be addressed later in this chapter. It is also appropriate, however, to examine how productive TJDP was in comparison with ongoing strategies for helping low-income people obtain jobs. If the job targeting strategies used by TJDP sites can be shown to be as or more successful and efficient than traditional training and placement strategies, then it could well be a very promising strategy that ought to be considered by employment and training professionals. If, on the other hand, these TJDP funded job targeting strategies are less successful and more expensive than traditional approaches, one would have to evaluate TJDP strategies primarily on whether they in fact increase benefits for targeted groups.

It is difficult and potentially misleading to compare TJDP with regular CETA and PIC programs. TJDP was a demonstration program and suffered the obstacles common to all innovations. TJDP was tied directly or indirectly to CETA and PIC agencies so that one is not comparing a separate program, but rather a separate strategy housed within a parent organization. Because job targeting strategies involve long-term agreements, job placements are likely to be fewer in any given year than the placements of ongoing CETA and PIC programs that concentrate on the here and now. Nevertheless, there is some value in making cautious and circumspect comparisons between the performance of TJDP and CETA or PIC programs in the ten sites where job targeting strategies were attempted.

Rutgers' survey of private employers in the TJDP sites provides some evidence that TJDP strategies compared favorably with traditional CETA and PIC

strategies. Perhaps most important, TJDP hiring agreements brought new and untapped segments of the employer community into contact with CETA/PIC programs and clients. Of the 51 employers with formal hiring agreements, 63 percent had never been involved with a government-sponsored employment and training program prior to TJDP. Employers involved via the TJDP strategy were also satisfied with their experience. Seventy-six percent of the 25 employers with placements were satisfied with the people referred to them by TJDP staff and 85 percent said they would hire additional people from the TJDP referring agency. Nearly half of the employers we interviewed cited the value of screening and referral services as the principal benefit they obtained from TJDP hiring agreements. Less than a fourth received wage or tax subsidies for hiring the CETA clients and only a few mentioned these inducements as important benefits. Instead, employers emphasized the importance of having a new source for qualified employees. One employer in Portland, Oregon even said, that "the Training and Employment Division does a better job than private employment agencies." The overwhelming satisfaction expressed by participating employers and the fact that many of them were new to the CETA system lends good support for the value of the job targeting strategy as practiced by the more effective TJDP sites.

Comparing the efficiency of CETA/PIC programs with the TJDP job targeting strategy is difficult. Rutgers' staff compared the costs of producing jobs through the TJDP strategy with other job placement efforts (such as direct OJT marketing) either in host PIC/CETA agencies or in adjacent CETA prime sponsors or PICs. This enabled our staff to reach some rough assessments of the seven TJDP sites where comparisons were possible. Two TJDP strategies (Portland, Maine, and Portland, Oregon) had lower costs per placement than other local CETA and PIC placement strategies. TJDP strategies performed about as well as other regular

CETA and PIC placement efforts in New York City and in Genesee. TJDP strategies were not judged to be as cost efficient as other CETA and PIC strategies in Lynn, Philadelphia, and Seattle.

The evidence from our comparison of CETA and PIC with TJDP is by no means one-sided and it is problematic to compare the two approaches. However, overall it would seem that TJDP performed rather well in comparison with regular CETA programs. Moreover, in four of the five communities where the job targeting strategy was rated excellent or good, TJDP seems to have performed better than or equal to the ongoing CETA/PIC placement approaches. An effective TJDP job targeting may be as efficient as traditional methods of obtaining jobs for the economically disadvantaged. We cannot prove that TJDP strategies are as good or better, but we do have enough evidence to say that they are no worse than traditional CETA/PIC approaches.

The Quality of Jobs Obtained Through TJDP

Another important criterion for assessing performance on the job opportunities objective is the quality of jobs obtained by CETA-eligibles. One of the justifications for linking CETA programs with economic development projects is the desire to use hiring agreements to obtain better than average jobs for CETA-eligible individuals. Traditional strategies for placing CETA-eligible individuals use such inducements as on-the-job training wage subsidies or Targeted Jobs Tax Credits to convince employers that they should hire unemployed and low-income people for entry-level job openings. Perhaps the additional leverage afforded by job targeting can help CETA clients obtain better jobs from firms assisted under economic development programs. If TJDP staff effectively use the more powerful incentives of

economic development programs, then employers may give better jobs to the clients TJDP staff represent.

The evidence assembled by the Rutgers evaluation team indicates that the job targeting strategies of the TJDP sites were, by and large, ineffective in improving the quality of jobs available to CETA-eligible individuals. Table IV presents three rough indicators of TJDP performance--the average entering wage of TJDP placed individuals, their modal occupations, and how TJDP jobs compared to jobs produced under regular CETA or PIC programs in each community.

Overall, the average entering wage for TJDP jobs was $4.45 per hour. Most of the jobs were above the minimum wage, however, Genesee and Lynn reported many jobs at or below the federal minimum wage. Almost all of the jobs for which we have information fall into the unskilled, entry-level category, or, at best, the low-end of the semi-skilled range. The modal occupations include machine operators, usually on factory assemblylines in non-unionized companies; general laborers; restaurant workers, such as waiters, waitresses and cooks; low-skilled clerical and secretarial positions; and various jobs in the hotel industry. In six of the eight sites where a comparison is meaningful, TJDP jobs were judged to be of about the same quality as jobs obtained by CETA-eligibles through regular employment and training programs sponsored by the CETA prime sponsor or the PIC. In Lynn, the jobs obtained through TJDP were not as good as those available through the CETA agency; in Portland, Maine, the non-construction jobs paid less than placements from the CETA agency. Only a few jobs in Genesee, Portland, Oregon, and New York City represented improvements over the typical opportunities from

Table IV: THE QUALITY OF TJDP JOBS*

Sites	Average Entering Wage[1]	Most Common Occupations	Percent Construction	Compared to CETA/PIC
Genesee	$3.64	Fast food worker, metal fabricator, shipping clerk, aligner, parts manufacturer	0	Some same, others better
Lynn	$3.50	Extruder trainee, stitchers assemblers, shoe laborers, factory workers	0	Worse
Milwaukee	$4.22	Hotel service workers, laundry workers, production workers, machine operators, clerks, auto mechanics	0	Same[2]
Montanawide	$7.00	Oil rig laborer, seismic tester, surveyors, truck drivers, laborers	No estimate available	No estimate available
New York City	$3.95	Production machinists, data processors, bakery workers, electrician helpers, clerks, truckdrivers	0	Some better, others worse
Paterson	$4.30	Machine operators, bench assemblers, clerks, warehouse laborer, management trainee, restaurant worker	0	Same
Philadelphia	$4.44	Secretaries, clerks, machinists, shippers, security guards, hotel workers	0	Same
Portland, ME	$5.13	Construction laborers, carpenters, iron workers, clerks, restaurant workers	50	Construction better; "permanent" jobs worse
Portland, OR	$4.49	Truck drivers, production workers, custodial, clerks, maintenance mechanic, materials handler	0	Some same, others better
San Antonio	No estimate available	Construction workers, restaurant workers, maintenance workers, hotel workers	5	Same

Table IV: THE QUALITY OF TJDP JOBS (continued)

Sites	Average Entering Wage[1]	Most Common Occupations	Percent Construction	Compated to CETA/PIC
Seattle	$4.61	Fast food worker, laborer, assembler, clerk, construction laborer	8	Same
Wilmington	$3.75	Retail sales, restaurant help, textile worker	0	No estimate available
Averages	$4.45	Machine operators, clerks, restaurant and hotel workers, assemblers		

Source: Quarterly Jobs-Related Activity Reports submitted by TJDP staff

1. Average wages are calculated from the latest available data submitted by the sites. In several cases data on wages were not included in the final job placement report.

2. Since the TJDP program and the CETA/PIC programs were indistinguishable, it follows that placements from TJDP and the CETA/PIC would be the same.

* Data on Job Quality were unavailable for Buffalo and Metcalfe.

CETA and PIC agencies, and many jobs for New York City's TJDP program had lower entry wages than jobs available through the PIC--TJDP's host agency.

Explaining Job Quality

The quality of jobs obtained by CETA-eligibles through TJDP was rather low. Most of the placements were in unskilled and entry level jobs with characteristically high turnover rates and the average entering wage was $4.45 per hour. The jobs developed through TJDP are roughly similar to jobs developed by CETA and PIC agencies in regularly funded programs. This is perhaps not surprising since the same client population was being served, but it undermines the claim that job targeting can be used to enhance the quality of jobs available to the CETA-eligible population. Several factors account for the quality of jobs obtained through TJDP.

1. The Pool of Available Jobs. More than other factors, the characteristics of jobs created by economic development projects determined the quality of jobs obtained through TJDP. TJDP staff discovered that most of the jobs created by economic development investments were in low-paying, unskilled, and high turnover positions. Equally important, the higher paying construction jobs were not available to the vast majority of CETA applicants who did not belong to the craft unions that control hiring in most communities. These facts placed TJDP staffers in an awkward position in some communities. They could either concentrate exclusively on the small number of "better" job opportunities that came along or negotiate with employers for the less desirable positions and hope in the process to capture some of the better jobs. TJDP staff around the country were divided on which strategy was more appropriate. Some argued that getting any job for an unemployed resident was worth their effort. Others said that they should not waste their time trying to get job placements that CETA participants

would get without their help and without CETA subsidies. Regardless of how they approached the problem, the fact remained that many of the available job opportunities were simply not much better than those regularly obtained for CETA clients.

An equally vexing problem for TJDP staff was the fact that many of the better paying jobs created by economic development projects were not suitable for CETA clients because the skill levels were too advanced. Moreover, employment and training agencies typically had insufficient lead time to prepare CETA workers for semi-skilled jobs. The low-skilled, higher paying construction jobs were unavailable to non-union workers. Consequently, most of the CETA-eligible workers were left to compete for the entry-level, unskilled positions. In short, either the skill requirements were too high for CETA clients, or the quality of the job was not very high. This problem is not unique to the TJDP program, but one that frequently plagues CETA and PIC programs.

2. Job Targeting Strategy. In theory, negotiations for a hiring agreement could be used by TJDP staff to gain better than average jobs for CETA-workers. Even when such jobs were available, however, most TJDP staff did not focus on job quality in discussions with employers. Moreover, many TJDP staff did not successfully involve unions in the job targeting process. In other words, the job targeting strategies of most sites were not designed to get better than average jobs, but focused instead on obtaining as many entry-level jobs as possible. Even the more effective sites felt that it was quite sufficient, at this early stage in the development of job targeting strategies, to focus on getting CETA-eligible clients into unskilled entry-level jobs. Later they could begin to work on obtaining better jobs after the strategy had demonstrated its effectiveness.

3. The Declining Economy. Finally, the poor economy influenced job quality, in much the same way that it affected the total number of jobs obtained by TJDP sites. High unemployment rates placed a large pool of experienced workers into the labor market and made CETA participants less competitive. Employers were, under these circumstances, under no pressure to put inexperienced workers in more challenging positions because more qualified people were readily available. This fact, combined with the nature of available jobs and the bargaining posture adopted by the TJDP sites, helps explain why only a small fraction of the over 1,000 jobs obtained through TJDP were better than the jobs typically obtained by CETA-eligible individuals.

Altering the Hiring Patterns of Private Firms

The last of our four criteria for evaluating job placement performance is clearly the most demanding one: Did TJDP job targeting strategies alter the normal hiring patterns of employers who entered into hiring agreements? Are TJDP efforts increasing the flow of job opportunities for the economically disadvantaged from economic development projects over what they would get otherwise? By considering these questions we are raising issues that are typically ignored or overlooked in evaluations of employment and training programs. Nevertheless, these questions are important for a comprehensive assessment of TJDP because it was designed in part to redirect benefits from economic development projects towards low-income individuals. If TJDP job targeting strategies have little or no influence on the hiring practices of firms and on the expected pattern of benefits in the community, then they are considerably less useful than if they do.

Unfortunately, reliable information upon which to base this judgment is difficult to come by. Systematic information on the characteristics of people

hired by private employers on economic development projects prior to TJDP was not available and even if such information were available it would not be entirely satisfactory for purposes of comparison. Therefore, we asked employers in each site whether the types of people they hired or would hire under TJDP were different from those they had already hired. We also found some useful data on the characteristics of people hired on projects funded by the Urban Development Action Grant program that will help us make some tentative judgments.

Employer Interviews

Interviews with private employers and local TJDP staff suggest that most firms in most TJDP sites did not change their hiring patterns in response to TJDP-initiated efforts. The Rutgers evaluation team estimated that TJDP hiring agreements had a systematic impact on hiring patterns in only three of ten sites where job targeting strategies were attempted. (No change would be expected in the other four sites because they did not attempt any new approaches.) Some of the individuals hired would have remained unemployed or on welfare without the assistance they received from TJDP, but the overall record does not reflect much change in the types of people hired by employers under the TJDP hiring agreements.

Additional support for this conclusion comes from our survey of employers. Approximately half of 25 employers in our survey who had hired people indicated that the individuals from TJDP were the types of people they normally hire; only a third reported changes. Thirty employers who had entered into agreements, but who had not yet hired people made similar responses. The majority of these employers also said that they did not expect to change their hiring patterns. Two comments made by employers during inter-

views represented the opinion of a majority of the respondents. One employer said: "we usually hire minorities and low-income people anyway. These workers will just come from a different source." Another pointed out: "minorities and low-income workers are the most available workers. The city doesn't have to ask you to hire them. They're just there."

Although most TJDP job targeting strategies did not seem to effect substantially most employers' hiring patterns, there is evidence that they were effective in Portland, Oregon, Genesee, and Montanawide. In Genesee County and Portland, Oregon, minorities and women were employed in firms that previously had all male or all white workforces. In Montanawide, several employers said that they had hired more Indian workers as a result of the TJDP-inspired efforts of the Tribal Employment Rights Offices.

Because Portland, Oregon developed the most thorough and effective job targeting process during the demonstration, changes in hiring patterns among the city's employers are particularly important. Interviews with TJDP employers in Portland, Oregon confirm that they are hiring a greater percentage of minorities and women than they would have done in the absence of TJDP and that they are pleased with the persons they have hired. Retention of these new employees has also been quite good, because the TJDP staff did a careful job of referring applicants with skills and qualifications appropriate for the firm. The Portland experience suggests that an effective job targeting strategy can bring about systematic changes in the hiring patterns of employers.

Comparisons with the Urban Development Action Grant Program

Although employers reported that TJDP job targeting strategies did not systematically change hiring patterns in more than a few sites and a third of

the firms, the TJDP experience compares favorably with the hiring patterns of firms under the Urban Development Action Grant program, where TJDP hiring agreements were generally not in force. According to a systematic analysis of the characteristics of people employed on 80 UDAG projects in 70 cities, "about one in ten of the new permanent jobs created thus far are filled by those who were part of, or qualified for training under the CETA program." (See HUD, An Impact Evaluation of the Urban Development Action Grant Program, Washington, D.C.: January 1982, p. 65 Emphasis added.) Rutgers' survey of 25 employers with hiring agreements in six TJDP sites found that the CETA-eligible people already hired represented 6 percent of the firm's total workforce. Moreover, if CETA-eligibles are hired for all the jobs contained in the hiring agreement, they will constitute over 25 percent of the total workforce of the firms.

Portland, Oregon's experience is again significant. First Source Agreements are designed to target all entry-level jobs for CETA-eligible individuals. Ideally, then, CETA clients will receive most if not all of the new permanent positions created by the economic development investment in firms that sign First Source Agreements. Evidence from employer interviews in Portland, Oregon suggests that CETA-eligibles will in fact obtain a substantially larger share of the new "permanent" entry-level positions than the national pattern reported by HUD's study of UDAG. For example, the largest employer--a major printing company--indicated that 75 percent of the 114 jobs created through their UDAG would be covered by the First Source Agreement. They had already hired 17 and pledged to honor their agreement. Another firm--a medical supply and ambulance service--had already hired 6 people or 20 percent of their workforce from the CETA-eligible population referred by TJDP and expected to hire another 6 people over the next

few years.

It seems that some TJDP job targeting strategies either have or shortly will produce more jobs for CETA-eligible individuals from economic development assisted firms than are typically obtained through employers under the UDAG program where TJDP-type hiring agreements are not typically utilized. This conclusion is especially strong in sites like Portland, Oregon that have effective job targeting strategies.

Explaining Hiring Patterns

Most TJDP job targeting strategies had little impact on the types of people employed by economic development-assisted firms, but there were important changes in a few sites and in some firms in several sites. Moreover, the TJDP job targeting strategies will very likely produce more jobs for CETA-eligible individuals than they normally receive from UDAG-funded projects nationwide. What accounts for this mixed pattern?

1. The Pool of Available Jobs. The absence of observed changes is principally explained by characteristics of the jobs available from economic development investments. According to a national study of UDAG projects, roughly seve of every ten "permanent" jobs produced by private firms are low level jobs at the entry-level, such as sales, clerical, services, and unskilled laborer positions. (See HUD, An Impact Evaluation of the Urban Development Action Grant Program Washington, D.C.: January 1982, p. 65.) Our analysis of TJDP job quality revealed that jobs developed by TJDP staff fit this national pattern. Employers tend to hire people for these entry-level jobs who resemble the CETA-eligible population. Hiring agreements, or for that matter wage and tax subsidies, are not needed to convince employers that they should hire low-income residents. The opportunities for TJDP staff to affect the hiring patterns of firms are limited by the nature of the jobs available.

2. Job Targeting Strategies. Given the nature of the job pool, changes in hiring patterns can only be brought about by effective job targeting strategies. However, most TJDP job targeting strategies were not designed or well enough administered to bring about changes in hiring patterns. Private employers were seldom asked or "pressured" to change their hiring patterns. The negotiating styles of TJDP staff in most sites demanded little from the employers. Instead, hiring agreements were marketed as a no cost service. Employers were told that they could obtain qualified workers (often with wage subsidies or tax credits) without altering their hiring patterns or practices. In addition, most sites had ineffective monitoring and enforcement systems. They had no method for tracking the firms after the hiring agreement was reached and therefore no way of knowing what the employer did.

Only Portland, Oregon managed to develop a job targeting strategy that was both designed to bring about changes in hiring patterns and effective in doing so. Their First Source Agreement strategy targeted all entry-level jobs created by economic development investments for the CETA-eligible population. This policy, when combined with skillful negotiations and effective monitoring, helped bring about significant changes by employers in their city.

Despite the generally disappointing results, the evidence suggests that hiring agreements, even if they are rather undemanding,but especially if they are demanding, tend to increase the number of jobs obtained by the CETA-eligible population. The fact that firms involved with TJDP hired or will hire more CETA-eligibles than UDAG firms without hiring agreements suggests that the job targeting approach does bring a different type of candidate to the private

employers' doorsteps. In this regard, it is important to recall that three of five employers had never been involved with a CETA or PIC program prior to TJDP.

CHAPTER IV. BUSINESS ASSISTANCE UNDER TJDP

In the request for Targeted Jobs Demonstration Program proposals the Interagency Monitoring Board called for activities which would"...effectively target the maximum feasible number of spin-off business opportunities created under federally-assisted development projects upon small or minority entrepreneurs or CDC's (Community Development Corporations)." In its equity orientation, then,this goal was similar to the job targeting goal of the demonstration.

Economic development projects not only generate jobs, but often create investment and contract opportunities for small and minority businesses. Business opportunities may include,for example, subcontracts on a construction project or the leasing of retail space in a new hotel-convention complex. As envisioned by the demonstration's planners, while the TJDP staff negotiated with the developer and employer over jobs for the economically disadvantaged, they could also identify and perhaps reserve some spin-off business opportunities for small and minority business enterprises (S/MBEs). Thus the demonstration would help redistribute both employment and business opportunities.

The concept of targeting spin-off business opportunities for S/MBEs is a relatively recent aspect of economic development policy. While government, particularly state government, has been involved in economic development activity since the formation of this country (for example, granting charters to banks) only since the New Deal has the federal government undertaken specific economic development activities directed at aiding local economies. During the post-Depression period, government-funded economic development programs were confined largely to public works projects. With the passage of the Area Redevelopment Act of 1961, economic development assistance became more diverse

(for example, not only public works projects but also various forms of direct assistance to business) and even more concerned with regional and local economies. Services to small and minority business enterprises were expanded and further diversified in 1953 and 1969 with the establishment of the Small Business Administration and the Office of Minority Business Enterprise respectively. The Small Business Investment Act of 1958 required prime contractors seeking federal contracts to submit a plan for using minority firms. Since then, affirmative action has been pursued by local governments through provisions requiring that a fixed percentage of contracts be set-aside for minority and/or women's businesses.

By the late 1970s numerous studies began pointing out the importance of small business enterprises to the local economy,and local economic development agencies attempted to tailor their efforts to SBEs as well as to larger firms. With the reductions in federal assistance and the recessionary economy of the early 1980s,economic development activity became even more sharply defined and targeted. The inclusion of spin-off business opportunities for S/MBE's from federally-assisted economic development projects in the TJDP enterprise thus meshed with and helped to extend the prevailing evolution of economic development policy.

The request for proposal assigned a lower priority to the spin-off business opportunity goal than it did to the job targeting goal. Its weighting in the selection process--15 out of 100 points--was significantly less than that given to job targeting for the economically disadvantaged--50 out of 100 points. Moreover, during the evaluation and selection of sites, the Interagency Monitoring Board did not require all sites to incorporate business spin-offs as part

of the demonstration; only seven sites set forth specific business activities in their proposals.

Few of the sites pursued this business assistance goal with any vigor, and those which did generally disregarded the national objective of redistributing business opportunities. Instead, they focused on general assistance to S/MBEs. Five sites undertook a major effort, five sites engaged in business assistance on an ad hoc and highly diffused basis, and four sites totally ignored it. Business assistance was thus the weakest and most undeveloped of the TJDP goals.

We altered our research agenda in order to describe and explain what was actually taking place. Rutgers' evaluation of the business assistance component of TJDP therefore focused not on spin-off business opportunities per se, but on business assistance in general. This we defined as the provision of any aid to a small, minority or women-owned enterprise which facilitates its ability to start-up, relocate, expand or remain in business and which is not an employment and training service. Thus if a demonstration site packaged loans, gave technical assistance to firms, established a city-wide procurement policy for S/MBE's, ran training sessions for entrepreneurs, or pursued spin-off business opportunities,it was considered a business assistance activity. However, if it offered on-the-job training wage subsidies or referred potential employees, this would be categorized as an employment and training activity.

The potential diversity of business assistance activities and the low priority given to this goal made comparative analysis difficult. No two sites formulated similar business assistance goals and the mix of business assistance provided and the effort expended varied greatly from one demonstration project to another. In some sites business assistance was clearly

defined and integral to the demonstration project, in others it was ad hoc and diffused. While quantitative comparisons were thus rendered impossible, we were able to make some qualitative comparisons of the diverse business assistance activities. However, this section of the comparative evaluation is not meant to determine which sites were most effective at achieving the business assistance goal, but to describe the types of business assistance activities undertaken, the rationales for their inclusion, and the sites' major accomplishments.

Overview of Business Assistance Activities

Of the fourteen TJDP sites, ten engaged in some level of business assistance activities and four did not. Of those which made a commitment to assisting S/MBEs, half made a major effort and the remainder generated only ad hoc, diffused and small-scale attempts to facilitate the economic viability of local enterprises. Of course, in many of these sites business assistance was being provided, but not by TJDP.

For those sites which excluded business assistance--Genesee, Paterson, Philadelphia and Wilmington--it is difficult to discern common characteristics explaining the outcome or to identify a single and common rationale for it. Overall, the decision to exclude business assistance seems idiosyncratic. Neither the inclusion of business assistance as a goal in the initial proposal, nor the location of the TJDP in an employment or training agency, nor the nature of the economy served to distinguish these sites from those which undertook business assistance. When asked directly to explain the exclusion of business assistance, two sites mentioned that such services are costly, difficult to

perform and have a long-term and unpredictable benefit. Two sites pointed out that these services were already being provided in the community, and three sites argued that there was no need for S/MBE assistance.

The ten sites which included business assistance were administered, in whole or in part, outside employment and training agencies, had a supportive political climate for S/MBE involvement and the ability to build upon existing business assistance programs or policies. The administrative location of the TJDP seemed to be the determining factor. Six of the ten involved sites were not solely bound to an employment and training agency. They were located in a planning or economic development agency or had staff stationed in these agencies. Many of those sites with major efforts were able to link with existing business assistance activities and thus did not have to overcome the friction of starting up a new government activity or battle with existing agencies over administrative turf.

Types of Business Assistance Activities

Those sites engaged in assistance to small and minority business enterprises took on a variety of tasks. (See Figure III.) As might be expected, tasks that were easier to perform were undertaken more frequently. Thus, several sites engaged in public relations, the development of conferences and seminars, and general coordination between enterprises and other agencies as well as research, planning and market analysis. The start-up costs were low and the activities could be sustained with small amounts of funds and staff time. Moreover, these activities were easily coordinated with existing business assistance.

More demanding business assistance activities appeared less frequently

Figure III: ACTUAL AND PLANNED BUSINESS ASSISTANCE ACTIVITY BY TYPE OF INVOLVEMENT AND SITE

Activities	Major Involvement[1]					Minor Involvement[2]					
	Lynn	Montanawide	Portland (ME)	San Antonio	Seattle	Buffalo	Metcalfe	Milwaukee	New York City	Portland (OR)	
Public Relations, General Coordination and Conferences[4]	A[3]			A	A			A		A	
Research, Planning and Market Analyses			A	A	A	P					
General Business Assistance[5]	A	P					A				
Contract Set-Asides, Affirmative Action, Procurement Programs	A			A	A						
Assistance to Minority Contractors	A	A		A		A					
Revolving Loan Funds and Financial Packaging	A	P	A								
Miscellaneous Projects[6]									A	P	

Notes:
1. Sites with a "major involvement" in business assistance devoted a significant amount of staff time to this goal (at least one-third of the total expended), made the activity an integral part of the demonstration, and pursued the goal through the life of the project.
2. Sites with "minor involvement" engaged in business asssitance on an ad hoc, diffused and small-scaled basis. It was peripheral to their other activities.
3. "A" represents an actual project; "P" represents a proposed project.
4. General Coordination primarily refers to referral activity on an ad hoc basis; conferences includes training seminars. an activity undertaken in Portland, Oregon.
5. This includes technical assistance, managerial counseling, and assistance on business start-ups in Montanawide.
6. This includes energy-conservation and security projects in New York City and a small business incubator building in Portland, Oregon.

across the sites. These activities required a major commitment of funds (e.g., funds to supply a revolving loan fund, RLF), a political commitment (e.g., a contract set-aside ordinance for minority businesses), or the agreement by a developer or prime contractor to give preference to S/MBEs. Lastly, there were a few miscellaneous projects undertaken which did not fit easily into ongoing activities and were therefore handled by TJDP staff. For instance, an energy-conservation program for selected businesses was operated by a New York City TJDP staff member.

Sites with major involvement were more likely than other sites to undertake costly and politically difficult activities, such as contract set-asides. In fact, this is one reason why they were placed in the major involvement category; these activities required more of a staff commitment. Each of these "major" sites established a dominant business assistance activity, such as assistance on financial packaging, and did not diffuse the effort by engaging in projects unrelated to this. Some examples will be helpful here.

In Lynn, for example, TJDP-funded business assistance emerged out of a need to facilitate economic development as a prelude to employment and training opportunities. The two sets of activities were viewed as a single package: firms receiving economic development assistance might have other, business-related needs and also be open to overtures for employment and training assistance. Given this premise, several activities were undertaken, including a revolving loan fund, technical assistance, general coordination, set-asides for minority subcontractors, a minority newsletter, and the development of a business affirmative action plan for the city. All of these were viewed as part of the general marketing of Lynn as a place for investment. In contrast, business assistance was a low priority in Portland, Oregon. A single eight-

week seminar on financial management for small entrepreneurs was held, and it was not viewed as part of a larger and integral component of TJDP. Plans for a small business "incubator" building,where small entrepreneurs would share certain services such as computerized mailing and energy costs,were initiated but not completed during the demonstration period. As with the other sites where business assistance was a minor activity,no cohesive approach was developed.

In addition to Lynn, San Antonio, Montanawide, Seattle and Portland, Maine engaged in major business assistance activities, and these sites also deserve brief descriptions. Despite the fact that they performed major business activities , however, most of them did not work on capturing spin-off business opportunities, and most separated business assistance from the job targeting component of their demonstration.

Following Lynn, San Antonio had the most developed business assistance component. TJDP staff helped six minority contractors obtain construction subcontracts, aided eleven small and minority retailers in the pursuit of retail space in a major new hotel (five of whom eventually leased space), and assisted fifteen S/MBEs in bidding for hotel equipment and furnishings. These activities were augmented by a variety of efforts designed to increase the participation of S/MBEs in local government contracts, including conducting surveys, developing an affirmative action plan, holding conferences, and setting S/MBE utilization goals.

In Montanawide,a single TJDP staff person spent eighty percent of his time during the demonstration working with Indian contractors to help them identify subcontract opportunities, negotiate the bidding process and fulfill the contract. Towards the end of their demonstration, two proposals were developed to expand business assistance to Indian enterprises: one venture

undertaken with the Atlantic Richfield Company would develop small, tribal and Indian owned business enterprises and the other designed in collaboration with a Colorado company would develop a production facility for firearms, weapons and accessories in one of the tribal industrial parks. Neither project had moved beyond the proposal stage by the summer of 1982.

Seattle's TJDP participated in several city efforts to assist women-owned and minority business enterprises (W/MBEs). The TJDP staff identified viable development projects and attempted to establish minimum commitment levels for W/MBE utilization, in conjunction with other city staff. In addition, TJDP gathered and disseminated information about S/W/MBEs in the city and provided technical assistance to firms. Staff participated in conferences and workshops, developed brochures and letters, surveyed S/W/MBEs and created a S/W/MBE resource file.

Lastly, business assistance in Portland, Maine was considered a major activity because it absorbed a great deal of staff time but the type of assistance had only minor potential for immediate assistance to S/MBEs. An early but unsuccessful attempt was made to find local enterprises to provide goods for an airport gift shop. There was some tangential involvement in a revolving loan fund, aid to a fledgling cooperative, and the development of planning and market analyses. However, the bulk of the staff time devoted to business assistance was concerned with the Neighborhood Job Development Project--a study of opportunities for new and existing small businesses in Portland. The study had little impact during the demonstration.

Significantly, none of these "major" efforts in providing business assistance to S/MBEs, with the exception of San Antonio, were directed at capturing spin-off business opportunities from federally assisted economic development

projects. Even Lynn dealt less with targeted projects and more with the firms that happened to come into the economic development arena, whether or not they were receiving federal economic assistance. Seattle's efforts were directed at implementing W/MBE utilization policies on city contracts, rather than federal projects. Moreover, in San Antonio there was only one targeted project. Thus the national spin-off business opportunity objective of the demonstration program never penetrated into the local endeavors.

Only in Lynn was there any integration of the business assistance and the job development components of the TJDP. In that site, the two activities were jointly packaged, and often handled by the same person. In other sites that provided business assistance, a separation was maintained. Again, the low priority given to business assistance and the lack of enforcement of this component of the demonstration project led to a serious discrepency between initial national goals and local performance.

Major Accomplishments

An important question about this demonstration project is whether it generated any new or useful ideas about helping S/MBEs as part of a traditional economic development strategy. Unfortunately, the answer is predominately negative.

TJDP advanced neither the tactic of capturing business opportunities for S/MBEs nor the strategy of linking S/MBEs to employment and training programs. No site selected a set of federally-assisted economic development projects and attempted to help S/MBE's obtain the resultant spin-off business opportunities. No site linked business assistance with job development so that they facilitated each other. With one exception, all of the business assistance

activities undertaken in the sites were relatively typical economic development and S/MBE assistance activities. Even the contract procurement programs undertaken by TJDP staff in Seattle and San Antonio, while relatively new in the repertoire of local economic development, are not unique to TJDP and were under development or in place before TJDP was instituted. The only atypical strategy undertaken was San Antonio's attempt to negotiate retail space for small and minority retailers in a new hotel project. However, the fact that the TJDP-funded organization pressing the hotel for the S/MBE allotment had a equity position in the hotel makes the process less easily transferrable to other sites. In general the business assistance component of TJDP failed to produce new and major accomplishments in the realm of economic development and assistance to S/MBEs.

CHAPTER V: COORDINATION UNDER TJDP

The Targeted Jobs Demonstration Program was designed to enable fourteen communities to create, nurture, and enhance local structures and procedures in order to improve relationships between the employment and training system and the economic development system. Though organizations concerned with local community and economic development have varying objectives, TJDP assumes that their missions are mutually supportive enough that coordination of organizational efforts may lead to increased or even redistributed benefits within communities from specific economic development projects.

The most common justification for coordinating programs is the desire to improve program efficiency. Proponents claim that coordination will reduce duplicative services, pool talent, information and resources, and save expenditures through reductions in staff, administrative overhead and programs. A second major justification for coordination clusters around quality themes. It is argued that service delivery can be improved, that the needs of people seeking assistance will be properly assessed and that they will be directed to the most appropriate program. Resources from various programs can be focused on critical needs rather than dissipated on less important problems.

Of course there are obstacles to inter-agency coordination and even arguments against its utility. Attempting to coordinate the programs of two or more agencies, for example, might increase the likelihood of failure, if one of the agencies fails to deliver on its part of the project. Bureaucratic obstacles, made up of each agency's procedures, forms, jurisdictions, reporting relationships and funding cycles, often work against joint efforts. Sharing information, advice, or control is often perceived, sometimes

accurately to be costly to at least one organization. The desire to control and expand resources is an almost universal feature of bureaucratic life and allowing an outside agency to have an important role in an agency's own bailiwick can be perceived as dangerous, both on the federal and local levels.

Economic development programs focus generally on the physical and capital needs of private firms and are intended to stimulate overall economic growth and improve a community's infrastructure. Employment and training programs focus on education and training for the economically disadvantaged and the structurally unemployed, attempting to provide the opportunity for individuals to make themselves more competitive in the labor market. Coordination is not an easy task. Coordination is not unto itself the goal of TJDP, but it is of course necessary if TJDP's goals for job and business targeting are to take root. Moreover, the ability of TJDP staff to get disparate organizations to work together for job and business targeting objectives will determine whether those coordinative relationships which have developed during TJDP will out-last the demonstration period.

The nature of the coordinative behavior can be categorized along a continuum from its least to the most complex and demanding forms. We have ranked levels of coordination from simple notification and informal information exchange, to regular information exchange, to consultation, to shared control of inkind and/or monetary resources. Each of these categories is defined here.

- Notification of Action and Information Sharing is the simplest step in the path toward interagency coordination. Agencies share relevant data and ideas on mutual problems or inform each other of planned or actual programs.

- Regular Information Exchange occurs when agencies establish a system or regular procedure for informing each other about specific projects and opportunities. This requires more commitment to coordination and the development of more elaborate communication mechanisms.
- Consultation requires greater commitment than the first two types of coordination because agencies seek each other's advice and/or endorsement for proposals or actions. However, under this category of coordination, one agency retains sole control and responsibility for planning or implementation.
- Shared Control is the most demanding category of coordination because here agencies agree to jointly participate in planning and administration, and share responsibility and accountability for program outcomes. Usually, shared control requires that one or more agencies yield some of their accustomed control or autonomy.

An important distinction is whether coordination occurs *between* the economic development and the employment and training sectors, or just *within* one of the sectors. While it is difficult to coordinate within a sector, it is even more difficult to coordinate between sectors. Yet, TJDP is designed to encourage organizations that either have, or perceive themselves to have, very different purposes and functions to coordinate with one another.

TJDP provided an opportunity for the demonstration sites to experiment with local strategies for coordinating local development programs. During our first round site visits, Rutgers' Field Research Associates examined the nature and extent of coordination among economic development and employment and training agencies prior to TJDP and the extent to which pre-TJDP relationships, if any, had been altered in each community due to TJDP. During the second and third

rounds of research, we explored shifts in coordinative relationships, especially those perceived to have been fostered by TJDP. We focused on specific coordinative strategies and practices, ranging from co-located staff to overlapping council memberships to development of hiring agreement procedures, as well as instances of information sharing. We reviewed attempts made to overcome obstacles and analyzed reasons why coordinative relationships developed as they did. Factors such as support from the community's political leaders, response of the economic development agency staff to TJDP, TJDP staff backgrounds, organizational stability and others, were assessed for their importance in the development of coordinative relationships. Perceived benefits and costs of agency coordination were analyzed; and since the organizational and economic environment in each of the communities was changing during the demonstration, and TJDP was only one of many elements in the environment, we attempted to assess TJDP's degree of responsibility for the alterations which occurred. Finally, we attempted to predict TJDP's residual effect on inter-sector coordinative relationships in the communities, estimating which relationships were likely to survive the end of TJDP funding.

Pre-TJDP Coordination

Our analysis of pre-TJDP coordination revealed that, for the most part, employment and training agencies and economic development agencies seldom worked with one another. Local agencies occasionally shared information with each other and jointly funded a few projects. However, regular procedures for sharing information, mechanisms for consulting with one another, and joint program control were either absent or poorly developed. Figure IV briefly describes the status of coordination, prior to TJDP, in the fourteen sites.

FIGURE IV: THE STATUS OF COORDINATION PRIOR TO TJDP*

Buffalo/Erie County	Information sharing began among ED agencies in 1978; almost no previous contact between ED and E&T until PIC was established within an ED agency in 1979; then consultation occurred but primarily with PIC.
Genesee	Informal information sharing in place among area ED agencies; some shared funding of an area-wide marketing organization; no substantive contact between ED agencies and E&T.
Lynn	City ED agencies shared information and, in some cases, shared control; E&T agencies did the same; between sectors, only occasional information sharing in place.
Metcalfe	Traditional ED agencies have not coordinated in Mississippi and especially in Metcalfe. The area's Community Action Agency and a related business development-oriented non-profit agency cooperated (extending to shared control) on many projects.
Milwaukee	Coordination with ED agencies and between ED and E&T sectors was sporadic and accidental; the Metro Milwaukee Association of Commerce shared information with others, but only occasionally.
Montanawide	Tribal Employment Rights Organization and the Indian Action Team held informal information exchange in Blackfeet Tribe only; CETA operated in isolation; between seven tribes, communication was sporadic and disjointed through the Montana Intertribal Policy Board.
New York City	Pre-1979, few if any links existed between ED and E&T sectors; in 1979 several ED agencies were being restructured and the PIC created; coordination became an accepted goal of each, inspired partially by a Task Force organized by the Rockefeller Brothers Fund; PIC and ED agencies had tried to operate joint programs in several instances; thus a few examples of all levels of coordination had occurred.
Paterson	PIC and ED agencies informally shared information. Coordination did not exist with other E&T agencies except in one instance where a major project was worked on by all agencies, but coordination did not last.

FIGURE IV: THE STATUS OF COORDINATION PRIOR PRIOR TO TJDP* (continued)

Philadelphia	History of varied levels of coordination between ED agencies; several coordinative groups (from Mayor's Cabinet, to Development Council with 40 members) have been in place. E&T agencies have been involved in several specific projects involving some shared control, but projects have not lasted. E&T was disinterested in providing job training for the American Street Corridor section of the city.
Portland, Maine	Informal, occasional information exchange and consultation within ED agencies; no coordination with E&T except through Chamber of Commerce which ran some E&T programs.
Portland, Oregon	Occasional information sharing in both planning and implementation stages of projects; "First Source" concept (requiring coordination) was articulated as city policy in 1979 but ED agencies and E&T had infrequent and informal contact; at least one joint project was worked on by a city ED agency (somewhat reluctantly) and E&T.
San Antonio	Information sharing and consultation occurred between several city ED departments and E&T. Planning for some ED programs and E&T is combined in one city department, though kept distinct. ED screened loan applications for employment potential and provided information to E&T.
Seattle	Information sharing and coordination of activities within policy areas (e.g., employment and training) was common. City and county also consolidated employment and training activities. Between economic development, and employment and training agencies only notification required by law and information sharing, when requested, have occurred.
Wilmington	A few years ago, information exchange, regular consultation and, in one instance shared control of decisions and implementation took place. More recently, organizational, structural, and staff changes occurred, and the most active economic development agency chose not to coordinate with others.

* ED (Economic Development
E&T (Employment and Training)

Some exchange of information took place in all but four communities, but it was informal and without planning. Admittedly, it is difficult to discern exactly when an "exchange of information" takes place and conceivably some contact occurred between the employment and training and economic development sectors that left little trace. Usually, however, when the agencies talked to one another, people noticed. Such interactions were usually accidental contacts between agency staff.

In Lynn, for example, city economic development agency staff would inform its business clients that the CETA and Employment Service programs might also help. Occasionally, the economic development agencies even helped the business make contact with the employment and training agency, but no procedure for jointly offering agency services was established. In Portland, Maine, although the city and its public sector are small enough that staff from both sectors tend to know about each other, an interesting economic development project might or might not be mutually discussed.

In five sites--Portland, Oregon, Paterson, Philadelphia, New York City, and Wilmington--at least one substantial project had been jointly undertaken by agencies of the two sectors. In all but Philadelphia, joint projects were developed in only one or two instances; regular procedures that could nurture the potential for frequent joint planning and project implementation were still lacking.

In Portland, Oregon a First Source Agreement policy was established in 1979 that required city-assisted firms to consider CETA-eligible residents of Portland first when hiring people for entry-level positions. The policy was implemented on one major project where CETA provided customized training for 600 CETA-eligible workers who were then employed by an electronics company which had obtained extensive land improvements and other benefits from the city. Initial reluctance

to the First Source Agreement policy from the economic development agency was overcome, but the specific goals for many of those involved in this project was to complete it rather than to establish ongoing ties between agencies.

In Philadelphia, projects exhibiting some level of joint control or at least joint program funding by the two sectors occurred occasionally. Coordination within the economic development sector was well advanced. An Economic Development Administration demonstration grant, the Community Economic Development (CEDP), operated between 1976 and 1978, helped establish several economic development coordination committees with membership drawn from employment and training agencies as well as economic development organizations. For two years, thirty percent of CETA training funds for on-the-job training contracts were reserved for contracts with firms receiving assistance from the city's Industrial Development Corporation. But, even after two years all was not working smoothly.

Regular or systematic information sharing had developed exclusively in Philadelphia and Wilmington, prior to TJDP. Philadelphia used its CEDP demonstration grant to create and institutionalize coordinative relationsips between the employment and training and economic development sectors. Even there, where fairly regular information exchange was in place, few projects developed which involved shared control over resources. An approach was made to the CETA agency, for example, to elicit their support for job training as part of the American Street Corridor Project, but the CETA prime sponsor was not interested. Regular patterns of joint project planning and implementation had not developed. In Wilmington, a system of regular information exchange and consultation between sectors had been in place for several years prior to TJDP, but the system broke down as a result of shifts in lead agency staff, changes in organizational responsibilities, and disinterest on the part of the most active economic development agency.

Regular systems of information exchange and consultation between agencies suffered from numerous obstacles or just had not been a local priority prior to TJDP. In a few communities, unusual circumstances or opportunities helped bring about coordination between the employment and training and economic development sectors. In Paterson, when a rural-based corporation decided to move to the central city, the economic development office arranged for a low-interest loan and the CETA office and the State Office of Customized Training developed training programs and screened all job applicants at the company's new location. However, as was typical in other cities, this unique venture did not produce an ongoing process of coordination. In fact, the request for coordinated assistance was initiated by the corporation. It thus was possible for a company to quickly activate a coordination process by offering a major target of opportunity--several hundred new jobs, for example. Unfortunately, such targets do not offer themselves frequently enough to most communities to encourage systematic coordinative arrangements.

In sum, relationships between employment and training agencies and economic development agencies had not progressed much beyond the casual talking stage, prior to TJDP. In several communities, experiments in joint project management and financing had occurred, but policies and practices for regularly linking the two sectors had not been established.

The Nature and Extent of Interagency Coordination under TJDP

By the time Rutgers' researchers made their first field visits, in April and May of 1981, TJDP-initiated activities had increased coordination between the economic development and employment and training sectors in most

of the twelve active demonstration sites. During TJDP's first year, all active communities engaged in at least some informal exchange of information between the sectors. Employment and training staffs and economic development staffs that had barely known each other were, at least, more aware of each other's programs and organizational goals.

During the pre-TJDP period, there were very few cases of regular information sharing between the sectors, but by the first site visit, some form of regular information exchange had developed in all but two active sites. However, the extent of information sharing and its value varied widely. In some sites regular meetings were held between staff from several involved agencies, but they produced little of substance. In other communities more or less regular procedures for notification of job orders and referrals had developed between the employment and training and economic development agencies. And, in several sites the TJDP unit (and through it, the employment and training sector) was brought in on negotiations related to potential economic development projects.

Jointly administered programs and activities developed more slowly during the initial period than did procedures for exchanging information. TJDP grantees spent their first year making inroads into related economic development and employment and training agencies. A few instances of substantial coordination between sectors had occurred, however, by the time of the first field visit. In Lynn, combined local CETA funds, state CETA funds, and city economic development funds produced a machinist training program (which later ceased because of funding cut-backs). In New York City, several on-the-job training programs were fashioned by the PIC for companies receiving assistance from cooperating economic development agencies. In Genesee, where no discernable contact had existed between the sectors

prior to TJDP, on-the-job training funds were provided to some companies that received economic development assistance. A skills training center was established in Philadelphia to serve residents of the American Street Corridor--the industrial area targeted by TJDP and city economic development agencies.

The second round site visits, in October and November of 1981, found coordination in eight sites not to have substantially changed since the first site visit, either in frequency or level. In seven of these sites, some degree of regular information exchange had already been achieved by the first site visit. But in Metcalfe, the eighth site, no relationships had developed between the traditionally hostile state economic development and employment and training agencies, though by then staff had been hired and the project begun.

Between the first and second site visits, five of the fourteen sites experienced at least a moderate increase in the frequency of coordinative contact though none of these communities had experienced a major change in the type of contact. In San Antonio and Wilmington coordination between the sectors was on the increase. In San Antonio, where TJDP had not begun by the first site visit, several city agencies had begun, by the second visit, to exchange information about the amount of city contract opportunities provided to small and minority owned businesses in the area.

In one site, Milwaukee, the level of coordination had decreased; regular staff meetings between economic development and employment and training had been held in TJDP's early months, but ceased by the fall due to lack of interest.

Between the fall of 1981 and the third and final round field visits, held in May and June 1982, instances of coordination had continued to increase in number or consistency of occurrence in nine sites. Figure V briefly describes the status of coordination in each site, near the end of the demonstration in most

sites and after the end of the demonstration in four others. The type of coordination most frequently experienced remained the same in most instances, but additional examples of contact were taking place. For example Portland, Maine's economic development department had previously been somewhat inconsistent in communicating potential projects to the Targeted Jobs office, but by May 1982 the economic development staff had become more accustomed to including "targeting jobs" language in city agreements and notifying the Targeted Jobs office of potential projects.

Two sites experienced a decline in coordinative relationships by May 1982. Seattle's job order and referral system was still in place, but the level of activity was so low that involved agencies no longer gave much attention to how it worked; and interagency group meetings were rarely held. In Genesee, an interagency system for job orders and placements had been developed, but fell apart when the TJDP staff person responsible was "bumped" to a job in another agency. Three sites experienced no noteworthy changes in coordinative relationships. In Metcalfe, TJDP staff continued their efforts to keep the town government functioning. TJDP's staff made preliminary contact with two state-wide development organizations, Mississippi Power and Light and the Mississippi Research and Development Center, and began to gather data on Metcalfe's commercial development resources so that the development organizations could add Metcalfe to their lists of communities willing and ready for private development. In New York City, relationships between the Private Industry Council and the several city economic development agencies remained stable; PIC staff had consistent access to opportunities within the Economic Capital Corporation, as needed access to projects developed by the Public Development Corporation and sporadic access to the projects of several other agencies. Finally, instances of coordination

FIGURE V: THE STATUS OF COORDINATION AS OF MAY 1982

Buffalo/Erie County	PIC continued to link ED and E&T, though not as a result of TJDP. Information exchange and consultation between the sectors took place.
Genesee	Enhanced coordination resulted from TJDP. An interagency system for job orders and placement in place, but coordination did not develop beyond information sharing.
Lynn	TJDP provided opportunities for practice of coordinative relationships already developing. TJDP staff, based at ED agency, communicated hiring plans of targeted employers to E&T agencies. One jointly controlled training venture in progress.
Metcalfe	Coordination between the area Community Action Agency and the related business development agency decreased due to budget cuts. TJDP established preliminary information sharing contact with state and private ED agencies.
Milwaukee	System for information sharing developed, then decreased in frequency, then was revived as a referral system for one ED project; very little visible coordination existent relative to other projects.
Montanawide	Coordination gradually increased between TJDP and the Tribal Employment Rights Organizations (TEROs) on four of the seven reservations. Information sharing occurred and technical assistance was provided by TJDP. Little or no contact occurred between TEROs and CETA.
New York City	Regularized information sharing between one ED agency and PIC; as need information sharing between one other ED agency and PIC; several jointly funded activities (business loans and OJT) occurred.
Paterson	Occasional information sharing still occurring between ED and PIC but little contact between ED and CETA. No formal procedures for coordination in place.
Philadelphia	Coordination continued to develop between ED and E&T, but TJDP is not responsible. Consultation between the sectors occurs when opportunities for specific joint projects arise. Information sharing occured frequently but informally.

FIGURE V: THE STATUS OF COORDINATION AS OF MAY 1982 (continued)

Portland, Maine	Regular information exchange between ED and E&T in place, with TJDP the point of coordination.
Portland, Oregon	The City's ED department regularly shares information, consults, jointly plans and shares control (joint expenditures, staff) with E&T. The Port of Portland shares information and begins to develop joint marketing with E&T.
San Antonio	Information exchange between several city units relative to S/MBE program research.
Seattle	Early potential for growth in coordinative practices not realized. A job order and referral system still in place, but infrequently used. Inter-agency group meetings scheduled, but usually not held.
Wilmington	Coordination little affected by TJDP. E&T routinely notified of job openings in small businesses, but few openings occur; E&T screened applicants for a nearly-completed UDAG, but such joint efforts were rare.

* ED (Economic Development)
E&T (Employment and Training)

continued between the economic development and employment and training sectors in Wilmington, but relationships did not pertain, in most cases, to job targeting or other TJDP objectives.

The level and frequency of coordination in most TJDP communities increased during TJDP. See Figure VI for a summary of the types of coordination achieved during TJDP. Only in Philadelphia was a regular sharing of information between agencies of the two sectors occurring prior to TJDP. By May 1982, agencies in eight other communities regularly shared information with each other; nine sites had developed regular systems of information exchange between sectors; five sites had systems of consultation; and, agencies in four sites had shared control over the implementation of at least one project--usually the provision of training funds for an employer receiving economic development assistance. All of TJDP's fourteen sites (versus only eight sites prior to TJDP) had at least an occasional sharing of information, between two or more agencies of the two sectors.

In seven sites the relationships that developed during the demonstration were not for the purpose of job or business targeting, but improved coordinative relationships nonetheless, existed. In five of the fourteen sites TJDP is judged by Rutgers' field researchers to have played an important or very important role in fostering agency coordination between the sectors. In Lynn, TJDP initiated the new set of coordinative relationships which developed between the sectors, including a job targeting and placement system, and two training programs with shared funding. In New York City, the environment was favorable for TJDP as it began, since several newly formed agencies wished to coordinate their activities. TJDP is not solely credited with initiating the new relationships, but the presence of TJDP staff who were attempting to generate projects that required

FIGURE VI: COORDINATION ACHIEVED DURING TJDP

Sites	Info. Shared	Regular Info. Exchange	Consul-tation	Shared Control	Due to TJDP?
Buffalo/Erie	YES	YES	YES	YES	NO
Genesee	YES	YES	NO	NO	YES
Lynn	YES	YES	YES	YES	YES
Metcalfe	YES	NO	NO	NO	NO
Milwaukee	YES	NO	NO	NO	SOMEWHAT
Montanawide	YES	YES	NO	NO	NO
New York City	YES	YES	YES	YES	YES
Paterson	YES	NO	NO	NO	SOMEWHAT
Philadelphia	YES	YES	YES	NO	SOMEWHAT
Portland, Maine	YES	YES	NO	NO	YES
Portland, Oregon	YES	YES	YES	YES	YES
San Antonio	YES	YES	NO	NO	NO
Seattle	YES	NO	NO	NO	SOMEWHAT
Wilmington	YES	NO	NO	NO	NO

cooperative efforts between their agencies, certainly hastened coordination. The Economic Capital Corporation has added a unit, staffed by an individual who had been funded by TJDP, responsible for negotiating and following through on employment plans. The PIC president now sits on the board of one of the city's large development agencies; meetings have been held and memoranda circulated between the PIC and the Deputy Mayor for Economic Development; and, increased access to the City's financial community and large employers has been experienced. In Portland, Oregon, TJDP funds and the credibility attached to a national demonstration facilitated coordination, but it is not solely responsible for it since the job targeting strategy was conceived and partially implemented prior to TJDP.

In four TJDP sites, field researchers perceived the program to have been of some importance in fostering coordination. In Milwaukee, for example, TJDP helped break down some barriers between the city's community development department and the employment and training agencies, even though specific resultswere sparse. In Philadelphia, TJDP was not instrumental in fostering coordination overall because TJDP was a small program, maintained a low profile and the idea of coordination had been and was used independently of TJDP; however, TJDP did stimulate the inclusion of employment and training services in industrial district planning, now an accepted link in Philadelphia.

TJDP brought about few, if any, changes in coordination in five sites. In Buffalo, basic relationships between agencies of the two sectors were already in place prior to TJDP and have not been substantially altered by TJDP's existence. In Montana, TJDP established significant relationships with several of the Tribal Employment Rights Organizations in reservations

around the State, particularly at the Blackfeet Reservation--TJDP's home base. But the reservations' CETA agencies did not alter their focus on work experience to cooperate with TJDP and since the array of economic development programs found in most communities was not present on the reservations, coordination could not occur.

Site researchers explored perceived costs and benefits of coordination to the agencies involved in TJDP. In most sites, the CETA office viewed benefits to coordination with development agencies as numerous and costs as few, if any. Association with development agencies was viewed as a positive influence on the CETA image and training programs provided placement opportunities for CETA clients, though some employment and training staff were reluctant to spend time negotiating on-the-job training agreements with employers who could potentially hire only a few trainees. Often economic development agencies were less eager to coordinate with the employment and training network, especially if CETA was a major part of the network. In Philadelphia, for example, though the general agency climatewas supportive to coordination, development agencies were leery of being tied to CETA's poor image and were concerned about the agency's competence.

Other economic development agency staff feared injury to their community's competitiveness with near-by communities which did not possess coordinated agency efforts which of course also then require employers to cooperate with the several agencies. A relatively non-threatening approach on the part of TJDP staff worked to reduce this fear in Portland, Maine. Hard numerical hiring goals were not required of employers; if jobs were listed by an employer with the Targeted Jobs office, and the employer interviewed those referred by the office, then the city was satisfied. This gentle approach, plus support from the City Council and City Manager, convinced economic development agency staff to

cooperate. Some economic development agencies saw major benefits as possible from cooperation. In Portland, Oregon, for example, staff perceived that there was a marketing advantage to adding employment and training services to the development packages made available to employers.

Conditions Promoting or Inhibiting Coordination

Rutgers' field researchers explored coordinative practices and environmental factors which tended to aid or impede coordination. Four were found to be particularly important:

- Support from the community's political leadership;
- Support from economic development and employment and training agencies;
- Continuity of staff, political leadership and organizations;
- Co-location of staff.

1. Support from the Community's Political Leadership. Active support from a community's political leadership for the coordination of agencies' activities, for the purpose of targeting, is very important. Without leadership support, coordination will likely falter. Significant and active political support for the concept and practice of targeting existed in seven of the fourteen communities. These sites developed regular systems of coordination, for the purpose of job and/or business targeting. The level of support range widely, of course. In Lynn TJDP staff benefited from direct contact with the Mayor's Office on a regular basis. In Portland, Maine, shortly before the request for TJDP proposals was issued, senior city staff began to espouse policies designed to increase employment benefits for the city resident from ED investments. This support came about because of an EDA funded library expansion project in Portland which resulted in jobs for construction workers from New Hampshire. In New

York City the Council President's interest in TJDP served as an early boon to the project. In Montana, coordination has prospered most on reservations where Tribal Councils have been supportive of targeting.

In few sites were concerted efforts made by the TJDP unit to build political leadership support for targeting. Generally, either support existed and developed naturally or it did not. In two sites, however, support appears to have increased during the demonstration. In Portland, Oregon, support for targeting gained momentum again after a hiatus during which the city's then new administration studied the First Source Agreement concept. In Wilmington, two city councilmen, representing several community groups that believed the city should do more to obtain jobs for disadvantaged city residents, were able to gain approval for an ordinance requiring 25 percent job targeting for city residents, minorities and members of low- and moderate-income families.

2. Support from Economic Development and Employment and Training Agencies. Support from one or more economic development and employment and training agencies must, almost by definition, exist or be developed in order to achieve coordination. Even if political leaders support coordination and request it, key administrators in either sector must see that it comes about. A number of economic development agency directors were initially reluctant to actively participate in TJDP. Typically, they resisted coordination because they believed that job targeting requirements make a community less competitive in attracting and retaining firms. All of the employment and training agencies and at least one economic development agency supported the practice of targeting in the communities that achieved a regular coordinative relationship between sectors, for the purpose of targeting. In all but two of those communities the economic development agency undertook the relationship enthusiastically. In New York City,

though the involved economic development agency endorsed the TJDP application, the TJDP staff person had to work himself gradually into the system by making himself operationally useful. In Portland, Maine, the economic development agency's reluctance to cooperate was partially overcome by a city council resolution supportive of targeting.

The grantees without regular coordinative procedures have not received significant support from their economic development agencies. TJDP staff have contacted economic development agencies and provided information but little has resulted from their efforts.

3. Continuity of Staff, Political Leadership, and Organizations. Lack of continuity among staff, political leaders, and organizations delayed progress in several sites, with ten of the fourteen sites experiencing a change in at least part of the staff during the demonstration. Early on in TJDP, Paterson lost two key staff persons who had engineered the TJDP proposal. Portland, Maine's first TJDP Director left for another job, in the summer of 1981, at about the same time that the city lost most of its CETA funds and, thus, much of its capacity to directly provide referrals for targeted jobs without relying on other organizations. Lynn, another city like Portland, Maine, that is too small to be a CETA prime sponsor, also lost almost all of the CETA funds passed on to it by the area's CETA prime sponsor, thus reducing its direct capacity to deliver employment and training services. The decline in funding, elimination of public service employment, and turmoil in organizational relationships in the employment and training agency, certainly added to the difficulty of coordinating agency efforts.

In Montana, Tribal Council elections are held every two years and, on certain Reservations, the entire Tribal Council has changed since TJDP began.

Reservations with the greatest Council turnover tend to have the least effective Tribal Employment Rights Organizations. The fact that the TJDP staff in Montana remained in their positions through the demonstration helped the program substantially. The continuous presence and support of the CETA Director and ED Director were valuable in Portland, Oregon, where frequent reorganization, new political leadership, new economic development staff, and new TJDP staff, could have sunk the TJDP ship.

4. Co-location of Staff. Eight of the TJDP sites located employment and training staff in the same or nearby offices as economic development staff. Alone, this step did not lead to a useful coordination of activities, but most of the eight are in the group of sites with regular coordination systems. In Lynn, TJDP staff moved into an office with economic development staff allowing informal contact to develop. In New York City, the TJDP staff person located at an economic development agency made positive connections with that agency's projects, whereas another staff person, who was located at the PIC, and thus apart from economic development agencies, was not nearly as successful.

Three factors or coordinative practices were explored and found not to be particularly significant:

- Staff experience prior to TJDP
- TJDP Advisory Groups
- Memoranda of Understanding

1. Staff Experience prior to TJDP. Five TJDP sites began their operation with staff who were not knowledgeable about either economic development or employment and training programs. Several other sites chose staff who were experienced in CETA programs, but not in economic development. One site chose

a mix of individuals who were, among them, experienced in both sectors. While a lack of familiarity with programs and people may have delayed programs, it does not seem to have had a major influence on the eventual level of coordination achieved.

2. TJDP Advisory Groups. Among the fourteen sites only Lynn, New York City, and Portland, Maine formed advisory groups with representatives from employment and training and economic development agencies, but they all met less frequently as time passed. Buffalo dubbed its PIC Board as its TJDP advisory council. None of the advisory groups were important to the development or the absence of coordinative relationships.

3. Memoranda of Understanding. Metcalfe, Montana, Paterson, and Philadelphia did not negotiate written TJDP-specific agreements between agencies involved in TJDP. Other sites, to varying degrees invested effort, near the beginning of TJDP, to negotiate agreements which specified the involved agencies' responsibilities. Most agreements were vague and, in the end, were not perceived as important to the TJDP process. In some cases, such as Portland, Maine where agreements were signed with more than twenty departments and agencies, the negotiation process helped alert the community's organizations to TJDP's objectives.

Of course each of the communities involved in TJDP had unique characteristics which affected the implementation of projects and the nature of TJDP. Some examples follow:

Genesee: The decline of General Motors, the area's dominant employer, and the poor economic climate in Michigan generally, and the county in particular, hampered TJDP's progress.

Lynn: This city is a community held together by ethnic and partisan political relationships. TJDP has benefitted because the project staff was closely aligned with the city's political leadership.

Montana: TJDP was most effective on those Reservations which experienced at least a moderate degree of construction or natural resource exploration. On those Reservations where neither activity occurred, and unemployment is said to exceed 90 percent (rather than the 40-70 percent unemployment rate cited for the other Reservations), TJDP efforts were irrelevant.

New York City: In this city which has a very complex governmental structure, TJDP efforts were concentrated on selected agencies closest at hand.

Portland, Maine: This site is a small enough city so that communication between agencies and organizations is relatively easy. However, Portland's small size suggests that only a few economic development projects were likely to occur in any particular period which reduced the potential of the targeting system to be tested and refined.

San Antonio: The already existent contentious relationship between Anglo and Mexican leaders delayed TJDP implementation in this city for many months.

Metcalfe: The town's government and the administration of the town's recently built natural gas system was perceived by TJDP staff to be on the verge of collapse. So staff spent much of their energy during the year the project operated re-organizing and staffing the town's administrative systems.

Endurance of Coordination After TJDP

Rutgers' researchers explored the likelihood of the survival of those coordinative relationships which were in place as of the end of the demonstration

period whether due to TJDP or not. See Figure VII for brief prognostications relative to each site. In the nine sites where information was being regularly shared between the sectors, and certainly in the five sites where frequent consultation (advice and/or endorsement) took place between sectors, similar types or levels of coordination were expected to continue.

In almost all cases staffing changes were expected to occur because of the end of the availability of TJDP funds. But TJDP's end was not expected to cause a major set-back in the practice of coordination in any of the sites. In eight sites where information was being regularly exchanged, at least one TJDP staff person was likely to be retained after the end of TJDP funding. In several cases, Community Development funds were thought to be the likely source of support for the position. In several others the PIC was expected to provide ongoing support, assuming that funding was still available for such purposes after CETA's demise.

In sites where one or more TJDP-funded staff persons had spent considerable energy on business development services (Lynn, Montanawide, New York City, Portland, Maine, for example), these efforts were viewed as much more likely to end with TJDP, indicating the lesser priority placed on business development services by most sites.

FIGURE VII: LIKELY POST-TJDP COORDINATION STATUS*

Buffalo	Insignificant changes in operation caused by end of TJDP; PIC's continued operation will diminish impact of TJDP's termination.
Genesee	Personnel in TJDP will be retained by Flint and Genesee County agencies; TJDP's concepts are familiar to subcontractors who will continue to work with PIC in the future; First Source Agreement concept may be kept alive by community and development agencies; targeted job goals have become part of the county's overall economic development program update.
Lynn	Job targeting at development projects remains at the ED. One former staffer (TJDP) is continuing this work; one is administering a training program with the ED; minority construction projects are being continued; surveying of job needs of non-project-related employers and minority business services (other than construction set asides) is terminated.
Metcalfe	Two staffers will remain as town clerk and deputy clerk; may be able to provide business development assistance and job targeting in a UDAG/CBDG housing project; community development activities of the state government and Mississippi Power and Light and Metcalfe relationships should continue and may produce benefits for the town; fiscal management procedures organized by TJDP staff will most likely be adopted by community action agency and applied to other communities in need of assistance.
Milwaukee	Department of City Development has added TJDP component and person to ongoing operations. No other significant visible residue in terms of either intra-agency or inter-agency changes.
Montanawide	Business assistance, development and strengthening the Tribal Employment Rights concept and the technical and training assistance to tribes will all cease with TJDP's termination; CETA will be unaffected by the disappearance of the TJDP effort.
New York City	PIC and ED have an ongoing commitment to continuing and improving efforts to link employment and training programs with economic development projects; a loan administration and employment services unit will be jointly funded by ED and PIC; director will be former TJDP staffer and job will include job projections on ED managed projects, discussion of E&T services with private firm and monitoring of the creation of jobs.

FIGURE VII: LIKELY POST-TJDP COORDINATION STATUS (continued)

Paterson	The TJDP project may become part of the PIC program, however, TJDP goals may be supplanted by PIC goals, leading to the dissolution of coordination among agencies.
Philadelphia	TJDP's termination will have little effect on E&T programs and almost none on economic development; one TJDP staffer may continue at the PIC and maintain some linkages established during TJDP; PIC development section will continue coordinating with other agencies.
Portland, Maine	TJDP policies and functions may continue if Community Development Block Grant funds are made available; one staffer may then remain and continue to target jobs from ED projects, community opportunities to E&T agencies and coordinate/facilitate responses from agencies to employers; business assistance will be dissolved.
Portland, Oregon	First Source Agreements in force will continue and new First Source Agreements will be developed through the projects of the Portland Development Commission and the Port of Portland; TJDP's staff will revert to employment and training agency budget; PIC may incorporate in fiscal '83 and hire a staff, assuming a primary role in the business assistance projects and greater responsibility for coordination and First Source Agreements.
San Antonio	The city may use its comprehensive list of SMBEs in bidding procedures and referencing of sub-contractors: however, utilization goals are missing, leaving a concept not a program; other than in this area, the city will not be affected by TJDP's end.
Seattle	TJDP's activities may be continued until December 1982 if the city is able to use excess EDA funds to do so; TJDP's procedures are unlikely to be adopted by other E&T agencies; a CDBG proposal is being written to support business assistance, incorporating TJDP's procedures, although the continuation of W/MBE activities is questionable.
Wilmington	The job targeting function of TJDP may be transferred to the Commerce Department; a possible staff position may emerge to handle these responsibilities; or: Wilmington ED corporation staff may handle the monitoring function which has been the center of TJDP activities.

* ED (Economic Development
E&T (Employment and Training)

CHAPTER VI: CONCLUSIONS

The Targeted Jobs Demonstration Program was a modest effort with ambitious goals. Fourteen communities were given roughly $200,000 over a two-year period to experiment with new approaches to linking economic development and employment and training programs. The intent of TJDP's planners was to test some new ideas for improving the targeting of job and business opportunities from economic development programs for economically disadvantaged people and small and minority entrepreneurs. Nothing quite like it had been tried before, although many efforts at improving the coordination of employment and training and economic development had been undertaken before TJDP. The demonstration, therefore, addressed long standing and difficult problems in the coordination of federal programs at the local level.

TJDP's Record

Overall, the TJDP record was mixed. Significant accomplishments were evident in a few communities; moderate performance was observed in several sites, and very little was accomplished by approximately half the grantees.

The principal accomplishments of TJDP include the following:

- an excellent job targeting strategy was established in one city; good but incomplete strategies existed in four sites;
- private firms with experience under hiring agreements supported the concept of job targeting by a 3 to 1 margin;
- according to TJDP staff reports, over 1,000 jobs for CETA-eligible individuals were obtained during the demonstration and several sites expect additional placements due to hiring agreements that were already signed;
- TJDP performance compared favorably with traditional CETA and PIC programs; two out of three "TJDP employers" had never been involved with government sponsored employment and training programs prior to TJDP and the vast majority were satisfied with their experience;

- TJDP placement strategies were more efficient than traditional CETA and PIC placement approaches in two communities and performed about as well as CETA and PIC programs in two other communities of the seven where comparisons were possible;

- TJDP jobs were judged to be of about the same quality as jobs obtained through regular employment and training programs in six of the eight sites where a comparison could be made;

- TJDP job targeting strategies substantially altered employers' hiring patterns in a few sites, especially where the most effective job targeting strategy was developed;

- evidence from the more successful TJDP sites suggests that CETA-eligible people will receive a substantially larger share of the new "permanent" entry-level positions than they will receive from private firms under the Urban Development Action Grant Program nationwide;

- useful business assistance activities were undertaken in several communities;

- improved coordination of economic development and employment and training programs was stimulated by TJDP in at least five communities;

- TJDP is likely to have enduring effects on the economic development and training landscape in at least six sites.

TJDP also experienced several shortcomings, including the following:

- two sites developed only fair job targeting strategies; three communities had poor job targeting strategies; and four communities had no job targeting strategy;

- TJDP sites achieved only 18 percent of the jobs originally projected in their TJDP proposals in the ten sites where we can make comparisons;

- TJDP job targeting strategies were not judged to be as efficient as regular CETA and PIC strategies in three of the seven sites for which data were available;

- TJDP sites were generally ineffective in improving the quality of jobs available to CETA-eligible individuals through regular employment and training programs and most of the jobs fell into the unskilled, entry-level category;

- most private firms did not alter their hiring patterns in response to TJDP-initiated efforts;

- only a few sites pursued the business opportunity objective of TJDP with any vigor and those which did generally disregarded the national objective of redirecting business opportunities to small and minority business enterprises (S/MBEs) and focused instead on general assistance strategies;

- in general, TJDP neither advanced the tactic of capturing spin-off business opportunities for S/MBEs nor the strategy of linking S/MBEs to employment and training programs;
- little or no changes were brought about in the coordination of economic development and employment and training programs in five sites;
- TJDP is likely to disappear without leaving a trace in at least five communities.

Assessing TJDP

In our judgment, TJDP was a partial success. While several sites either made no attempt or were unsuccessful in carrying out the demonstration's objectives, significant accomplishments were achieved in a few communities. Most importantly, Portland, Oregon's success with its First Source Agreement strategy for targeting jobs from economic development projects to low-income people strongly suggests the potential value of this approach for other cities and counties. Given the problems and obstacles that beset the demonstration, the accomplishments of more effective communities are indeed noteworthy and the poor performance of the other sites is not surprising.

TJDP was difficult to implement. TJDP started from scratch in all but a few communities. Prior to the demonstration, as one might expect, most of the fourteen sites were not actively pursuing TJDP-related goals. Even in Portland, Oregon (which was clearly the most successful site from the demonstration's standpoint) the First Source Agreement strategy had only been tried once. Portland, Oregon's principal advantage, however, was that the First Source Agreement concept had been accepted by the political leadership of the community. Thus they had a significant head start over the other TJDP sites. The more aggressive communities spent a large portion of their first year experimenting with approaches and searching for workable solutions. In order to make TJDP effective, interagency coordination at an unusually high level was essential.

The demonstration's objectives had no clear legislative or regulatory mandate. Local staffs were asked to impose heretofore unheard of requirements on private firms receiving economic development assistance. They had no federal authority to apply job and business targeting objectives to federal, state or local economic development projects in their communities. TJDP had been envisioned as part of a larger, nationwide federal program, known as Employment Initiatives, but it was abandoned with the change in Administration at the federal level. Local staffs received none of the anticipated information and support from federal regional operating agencies that would have helped them accomplish their objectives. TJDP staff were simply left alone to experiment with this new and controversial policy idea.

The problems inherent in TJDP were compounded by the environment in which the demonstration operated. TJDP staff found it extremely difficult to mount a new initiative during a period of declining budgetary resources at the federal, state, and local levels and the accompanying uncertainty caused by such changes. An economic recession also hurt the demonstration by knocking the legs out from under many of the economic development projects and private businesses with which TJDP staff were working.

Time was another enemy of TJDP. Economic development projects take many months or years to evolve. Staff efforts were frequently wasted on projects that never materialized. Other projects will come to fruition years after the demonstration ends. In other words, TJDP job targeting strategies may look much better after a few more years, at least in the sites that attempted to build careful strategies and institutionalize them.

Is job targeting an effective tool for helping the disadvantaged obtain unsubsidized employment from private firms assisted by economic development investments? The Portland, Oregon experience strongly suggests that a strategy

designed to increase job opportunities for low-income people from economic development projects through negotiated hiring agreements can be effective. Political officials and agency administrators in the city supported the job targeting strategy. Employers with hiring agreements supported the idea in principle and expressed satisfaction with the people referred to them by the city's TJDP staff. Seventy-five jobs were developed during the demonstration period and 400 additional jobs are likely to be achieved through the twenty hiring agreements already in place. According to local staff, the TJDP job placement strategy was at least as efficient and probably more so than other, more traditional approaches to helping the disadvantaged obtain jobs. The jobs developed through TJDP's efforts were at least as good and in a few cases better than the jobs developed for CETA-clients under other CETA-funded programs in the community. Finally, and most importantly, Portland, Oregon's job targeting strategy substantially altered the hiring patterns of a number of employers in the city and directed a substantially larger share of the new permanent entry-level positions to CETA-eligible individuals than they otherwise would have received.

Whether the experience in Portland, Oregon can be replicated elsewhere is dependent on the will and capacity of a community. To start a targeting strategy like the First Source Agreement, initiative and support must come from high up in the government hierarchy. The Mayor, County Executive, or other chief-elected official, at least, and preferably other elected officials, must be strong supporters, spur early agency coordination, and continue their support.

Coordination between employment and training agencies and economic development agencies will not prosper unless it serves the needs of each agency and provides mutual benefits. The employment and training agency gains access to

jobs created by economic development projects through a job targeting approach. The economic development agency gets an extra marketing tool in the form of the training programs and the screening and referral services offered by the employment and training agency.

Once the will to undertake hiring agreements exists, their success rests with the ability of economic development and employment and training agencies to deliver on their commitments. Because it is a long, drawn-out process, hiring agreements require continuous attention and nurturing by staff. Hiring agreements take a lot of work, personal commitment, and energy. They also require economic development project money for targeting and employment and training money for recruiting and training people. Strong performance by the employment and training partner is especially important. If it cannot deliver qualified people to employers when employers demand them, then there is no point in trying to move ahead with job targeting strategies that require employers to use employment and training agencies. Hiring agreements are not likely to work unless the agencies responsible for implementation already operate relatively effective traditional employment and training and economic development programs. It is a strategy more suited to a mature and well functioning agency, than to one plagued with administrative problems.

Is a mandated job targeting policy essential? In our opinion it is certainly preferable and probably necessary. Private employers who benefit from low-interest loans, guaranteed loans, or other governmental assistance ought to be required to reserve a substantial portion of the entry-level jobs created by those investments for the disadvantaged and long-term unemployed residents of their communities. Such a policy is justified because it enhances the value of the government investment by helping people who would otherwise be dependent on governmental assistance and placing them in productive jobs. Mandated

hiring agreements ask private employers who receive special assistance to return that favor to their community.

Without a firm policy that requires hiring agreements as a condition for the receipt of economic development assistance, private developers and employers initially will be reluctant to participate. Yet, the overwhelming majority of those who signed hiring agreements were satisfied with the services made available to them in the most effective site. While the agreements should be required, they should also be flexible. Not every economic development project will produce jobs suitable for low-income people with limited skills. Governmental agencies should be willing to negotiate with employers about the types of jobs that will be covered by the hiring agreement; employers should always retain final hiring authority; and, the amount of time allotted to fulfilling the agreement should be generous, if necessary.

In conclusion, Rutgers' evaluation of the Targeted Jobs Demonstration Program documents the potential utility of a job targeting strategy for other cities and counties. Under the conditions noted above, hiring agreements can be very effective in helping low-income people attain productive employment. Significantly, most private sector employers who have been involved in hiring agreements are satisfied with the screening and referral services they received and are willing to continue their participation. Therefore, even though many TJDP communities did not successfully implement a job targeting strategy and none of the sites effectively captured spin-off business opportunities, the notable success of one community's job targeting strategy and the substantial accomplishments of a few others, underscores the value of TJDP. An innovative approach for directing jobs to the economically disadvantaged was demonstrated to be effective.

PART II

SUMMARIES OF THE FOURTEEN TJDP SITES

A SUMMARY OF THE BUFFALO/ERIE COUNTY, NEW YORK TARGETED JOBS DEMONSTRATION PROGRAM

PREPARED BY Donald Rosenthal

Overview and Origins of the Demonstration

In 1979, a program to improve coordination among local governments in Buffalo-Erie County by promoting economic development was created in response to the region's problems of high unemployment and an eroding economic base. As a result, when the County received the Targeted Jobs Demonstration (TJDP) grant, it was linked into this pre-existing coordinative effort. Cooperation between the City of Buffalo's and Erie County's employment and training sectors, however, was less evident because their respective CETA programs operated independently of each other.

The City and the County did find common ground from which to promote economic development in their support of the State-created Erie County Industrial Development Agency (ECIDA), which by early 1979 emerged as the major economic development agency for the area. The City, County, and ECIDA, then, in turn, created the Buffalo and Erie County Private Industry Council (PIC).

The PIC was seen by local political leaders as the natural vehicle for implementing TJDP. The PIC was formally created in June 1979 but did not become fully operational until a year later. In the interim, staff from the fledgling agency and others from the interested economic development community cooperated in preparing the TJDP proposal which was submitted in October 1979. The PIC structure and TJDP went into operation simultaneously in June 1980 although the TJDP grant had been awarded as of March 10, 1980.

The TJDP application focused on five federally funded projects that were at various stages of implementation when the proposal was submitted. The proposal additionally envisioned the use of some of the TJDP funds for staff support of the Minority Contractors Loan Program (MCLP) operated by the City's Division of

Economic Development (DED). Finally, the original application proposed to direct some resources to On-the-Job Training (OJT) programs which would promote neighborhood revitalization efforts, a program element associated with the goal of promoting small business development. (This objective disappeared early in the implementation of TJDP.)

With the exception of the MCLP, TJDP activities were intermingled with the Title VII-funded activities of the PIC, so that responsibilities for TJDP were spread among the PIC's 13 person staff. As a whole, TJDP resources were melded into the general operating funds of the PIC and were used for general assistance to private industry in the employment and training of CETA-eligible persons, rather than being targeted specifically to projects receiving federal funds.

Major Accomplishments of TJDP

Because of the way resources from TJDP were used, it is difficult to evaluate the direct effect of program expenditures. TJDP did have a positive effect in reinforcing cooperation among local economic development agencies despite the occasional tensions which marked relations between the economic development sector and the administrative leaderships of the County and City CETA programs. As a result of these tensions, the formation of the PIC was delayed and certain organizational problems occured such as the fission in late 1981 of the Erie County CETA Consortium into two successor bodies.

Nonetheless, TJDP may have been responsible for a more advanced level of inter-organizational cooperation among participants in the employment and training sector. The three jurisdictions that were administering the CETA funds continued to assign Title VII funds to the PIC and participated in its operations. The new Suburban Towns Consortium (created from the split with the County Consortium) also utilized the PIC to administer all of its CETA programs.

Although some TJDP funds were earmarked to underwrite staff support for the MCLP, the actual contribution of TJDP to the operation of the program was marginal. Likewise, business assistance provided through TJDP (other than support for minority contractors), was insubstantial. Although few significant programmatic changes occurred, the PIC did take part, along with other actors from the economic development community, in an effort to promote small business development. No attention was given to minority businesses (other than contractors), nor was a special effort made to promote businesses run by women.

TJDP, in Buffalo-Erie County, was limited in its efforts to target employment opportunities from federally-financed projects to CETA eligibles. Instead, TJDP funds went into providing general assistance to non-federally financed efforts by firms in need of specialized training packages for already employed workers or by companies wishing to use the PIC as a screening agency for a small number of prospective employees.

There were two exceptions, however. First, an agreement was signed in May 1982 between the PIC and the Buffalo Hilton Hotel--the recipient of the City's first Urban Development Action Grant (UDAG)--which promised to make the PIC the major source for the placement of employees in various positions to be opened to CETA eligibles in the future. Secondly, a more recent UDAG grant contained a commitment to an even more formal hiring agreement with a private company.

Still, while TJDP resources provided the PIC and the interests it served with the opportunity to expand the reach of their activities, it was difficult to isolate any significant impacts which resulted from the limited resources associated with the program. Rather, TJDP was simply part of the mix of program resources used by the emerging economic development community to support employment and training opportunities for CETA eligibles both in projects receiving governmental assistance and in those firms seeking OJT or Targeted Jobs Tax Credits (TJTC).

Reasons for Progress and Problems

The Buffalo-Erie County TJDP effort deviated from its original proposal because of the following reasons: the nature and timing of the targeted projects at the time of the TJDP grant; the manner in which the local economic development community reacted to local economic conditions; and, the way in which the PIC conceived of its role in carrying out its mandate.

First, the projects that were targeted generated primarily short-term construction jobs. Given the strong unions in the Buffalo area and the existence of high unemployment among unionized labor, the PIC and other actors in economic development agencies were unable to impose demanding requirements upon those responsible for such projects. Nonetheless, PIC staff were hopeful that they could still become involved with those projects that were not yet completed.

The uncertain future of the local economy, reinforced by the downturn in the national economy during 1981 and 1982, further limited the number of jobs produced by TJDP projects. The job projections made in many applications simply did not come true. In fact, some companies rather than experiencing growth as a result of their UDAG-related investments, instead cut back their complement of employees.

Furthermore, the PIC, the ECIDA, and the City's DED were quite reluctant to make hiring agreements a formal condition of economic development assistance. They viewed their services as designed to meet the needs of private industry and were unwilling to impose formal agreements upon private investors.

This perspective on the part of the PIC was reinforced by the attitude which the staff held with respect to the quality of jobs that were available on some of the UDAG projects. The staff was more concerned with providing jobs (as well as OJT) which were more likely to develop skills, promise long term permanent employment, and pay better. The PIC was not as committed to the jobs produced by the targeted UDAG's, many of which were low skill, high turnover positions.

A SUMMARY OF THE GENESEE COUNTY, MICHIGAN TARGETED JOBS DEMONSTRATION PROGRAM

PREPARED BY Peter Kobrak

Overview and Origins of the Demonstration

The impetus for the targeted jobs grant came from the Genesee County Metropolitan Planning Commission (GCMPC). The grant was intended to enable the County to extend the economic development activities that had remained entirely separate from the County's manpower programming; TJDP provided an opportunity to determine whether a linkage might prove mutually beneficial. Finally, if the funding could stimulate the creation of 300 jobs as proposed in Genesee's TJDP application, then such an opportunity must be exploited.

The grant proposal was submitted by GCMPC after receiving endorsements from its Economic Development Division Director and his staff. It was written by a senior GCMPC planner, who eventually became the TJDP Coordinator, and gained acceptance without difficulty from GCMPC officials and Genesee County and Flint political executives.

The City and County TJDP staffers already worked in the units where they performed their TJDP responsibilities. The grant paid the salary both for the Senior Planner who administered the grant and for another planner who worked closely with her until he resigned late in 1981. Members of the County's Economic Development Division and also the City's Economic Development Division charged to the grant the relatively small proportions of their time spent in implementing the targeted jobs concept. The TJDP Coordinator, located within the Genesee-Lapeer-Shiawassee-Flint CETA Consortium (GLSF), played a major role in TJDP, and 75% of his time was paid through the grant. However, early in 1982, when a number of City of Flint employees were laid off, he was bumped to a job in another agency and not replaced.

In implementing TJDP, Genesee County focused on several, largely federally funded, Urban Development Action Grant (UDAG) projects where TJDP hiring commitments were built directly into the preliminary agreements. The remaining 150 jobs in the TJDP commitment were intended to come from other City and County economic development activities related to loans and other financial inducements available to employers. Heavy initial emphasis was placed on a strategy that integrated the targeted jobs concept with the marketing by City and County economic developers of these loans. Through a "broker" provided by the GLSF Consortium, available CETA training and services were coordinated with this marketing thrust. This broker handled the screening and referral of CETA-eligible persons for the available TJDP slots.

Major Accomplishments of TJDP

Flint and Genesee County economic developers devoted most of their attention during the first year to selling the targeted jobs concept to employers. Partly because of the County's extremely serious economic condition, however, this effort netted few jobs. Furthermore, only two UDAG projects materialized during the grant period, and they also provided fewer positions for CETA-eligible persons than had been anticipated. As of July 1982, a total of 90 CETA-eligible placements were developed as a result of the TJDP program. To their credit, the targeted jobs staff only counted CETA-eligible persons with whom they were involved through the GLSF Consortium, and so, while the figure falls far short of the overall goal of 300 jobs initially set, it is an accurate representation of the activity that did take place.

By the second year of its targeted jobs program, as Genesee County economic development activity continued to wane, GCMPC realized that it would not approach its TJDP goal. Furthermore, the model was not yielding the desired results. GCMPC's Director, and his counterpart in Flint's Department of Community and Economic Development

determined that in exchange for financial inducements, it would be appropriate to require that employers sign a "first source" agreement. Such a contractual provision, which they refined through contact with the TJDP program in Portland, Oregon, would ensure the placement of CETA "eligibles" in "appropriate job openings created through all economic development programs and projects."

The nature and future of these proposed first source agreements remains under discussion. Economic development staffers are cautious about building such a manpower commitment into their marketing strategy. One such staffer seemed to speak for his colleagues when he indicated that "staff would be requiring commitments from the entrepreneur, and making commitments in turn, concerning employee training and referral programs, over which they could exert little or no control." The Forward Development Corporation, a joint city - county economic development mechanism, refused to endorse a "first source" strategy for its projects. The GCMPC and Flint's EDD, however, may still sponsor a pilot First Source agreement project.

In placing 90 CETA-eligible persons in unsubsidized positions within the private sector, the targeted jobs program was able to claim approximately one out of every ten jobs in the County from September 1, 1980 through November 1, 1981 that were subsidized with federal, state, and local funds. Of the 51 businesses that generated such openings during this period fewer than ten, according to GCMPC, agreed to accept CETA-eligible candidates.

The job openings in Genesee County's targeted jobs program ranged from minimum wage positions in fast food franchises to light manufacturing jobs. The most visible employer was the Hyatt Regency Hotel which recieved a UDAG grant, and hired 26 CETA participants in a variety of entry-level positions that ranged in pay from $2.60 to $4.50. In the case of some employers, the jobs were better than the manpower subcon-

tractors might otherwise have identified, and some of the companies had not previously had contact with CETA or its manpower subcontracting agencies. Hiring patterns, however, were rarely changed.

During the last several years, Flint has provided somewhat more support to small and minority business enterprises (SMBE's). It has channeled this effort, however, through the affirmative action provisions of its contract compliance program. Neither Flint nor Genesee County chose to include among its TJDP goals the provision of SMBE services.

To some extent the economic development and employment and training actors in the past avoided conflict because they had so little contact. Enhanced coordination between such agencies was certainly a contribution that TJDP provided in Genesee County and Flint. The interagency system for job orders and job placements implemented through TJDP gave the economic development network a single contact person within the GLSF Consortium. This Targeted Jobs Coordinator processed the order, and selected the CETA agency best suited to meet the employer's needs. The Coordinator kept all of the necessary records, and feedback from the network, as envisioned in the grant proposal, did result in some adjustments within the CETA system.

While coordination was considerably improved over what it was, the resulting accommodations were not of a kind that required much adjustment on the network's part. Economic developers remained suspicious of CETA, and dubious that such an economic development - manpower linkage would facilitate their task. For its part, the CETA Consortium was somewhat hobbled by changing national policies and its own internal organizational problems.

Reasons for Progress and Problems

Implementation of the job targeting concept in Genesee County represented a sincere but sometimes timid effort. To some extent this caution was based on the

assumption that job targeting was fruitless in a difficult economy, and, therefore, efforts to achieve it were limited. One economic developer explained GCMPC's reluctance to develop a stronger enforcement mechanism by saying, "little has been done with enforcement in Flint for fear of losing something."

In the absence of a confident sale of manpower training and services, it was the companies that were already enlightened about the relationship between human capital and productivity who stood to benefit the most from Genesee County's TJDP program. The TV cable company that entered the program without even accepting a financial inducement utilized more training funds and retained more employees than any of the companies that entered into the GCMPC hiring agreements over which the economic developers continue to resist and TJDP staff continue to promote. One GCMPC staff sensed the missed opportunities in saying, "We should have pushed training and people aspects more than simply, gee, look at all the money you can save."

Given the barriers to effective targeted jobs coordination in Genesee County support from some of the key agency executives proved to be surprisingly positive. In the face of doubting economic developers and a weakened manpower system the directors of the Flint Community and Economic Development Department and GCMPC, with the encouragement of the TJDP Coordinator, moved ahead in exploring the potential of a first source agreement concept.

GCMPC is trying to link such a first source agreement to its EDA revolving loan funds. The TJDP Coordinator is interested in building into the procedure for obtaining such a loan, the stipulation that the employer must meet with the training agency prior to any contract signing. And interviews with executives from the two UDAG projects that are still in the planning or construction phases reveal their willingness to meet the targeted jobs contractual provisions. It would be premature to predict the outcome of these efforts. Should they succeed, however, the role of the demonstration

project in effecting a linkage vital for Genesee County's future could be significant. The fundamental stumbling block that continues to bedevil Genesee County's effort to capitalize on what it has learned from TJDP is to gauge successfully what employers are prepared to accept in terms of a manpower commitment, as they contemplate moving into Genesee County or expanding an enterprise already there.

A SUMMARY OF THE LYNN, MASSACHUSETTS
TARGETED JOBS DEMONSTRATION PROGRAM

PREPARED BY Donald Baumer

Overview and Origins of the Demonstration

The Lynn Targeted Jobs Demonstration Project (TJDP) came about through the initiative of the Director of the Lynn Office of Economic Development (OED) and the follow-up support of Lynn area elected officials. In his three years in Lynn prior to 1979, the OED Director had been quite successful in obtaining federal money for the City. Most of it came from the Economic Development Administration (EDA) and the Small Business Administration (SBA). At the time that the TJDP proposal was submitted, the City had two major development projects underway. One was a UDAG that called for the renovation/conversion of two former shoe factory buildings into modern apartment buildings. The other project was funded through an EDA Title IX grant and sought to convert another old shoe factory into an industrial condominium. The idea of bringing employment and training agencies into these and other economic development projects was one that appealed to the OED Director and Lynn's Mayor, Antonio Marino, and they decided to go ahead with the proposal and the competitive process associated with it.

The goals of Lynn's TJDP were very much in line with the stated national objectives. The basic plan was to hire a staff that could promote the cause of jobs and training for low income people within OED and among the businesses they served. The TJDP staff would also provide various kinds of services to small, and particularly, minority owned businesses. The most important immediate objective was to create a much stronger link between City development agencies and area employment and training agencies.

The original TJDP plan envisioned a strong CETA agency with a large number of Public Service Employees (PSE) who could be moved into jobs opening up in firms involved

any of seven targeted projects (nine projects were listed in the proposal but, in two cases, components of what was essentially the same project were counted as separate projects). By the time the demonstration began it was clear that both sides of this vision had become problematic. CETA/PSE had been greatly cut back and would soon be entirely eliminated, and project related jobs were not appearing in the numbers that had been anticipated. This forced the TJDP staff to make some quick adjustments, and a two-pronged job targeting strategy soon emerged. One component of this was the project work, which was intended to produce employment plans for hiring low income people. The second was simply for staff to go out to all firms in Lynn that had received OED assistance and use the good will engendered by this assistance to secure first source hiring agreements. The placement system called for the TJDP staff to pass along all job orders they obtained from businesses to the employment and training agencies in the City. These agencies then made referrals and reported placements back to TJDP. The other major activities of TJDP were the development of training programs in areas of identified need, the provision of general assistance and financial advice to small firms, and the establishment of a minority business assistance program involving a series of specific services.

The TJDP staff consisted of four individuals and Targeted Jobs became a division of the Office of Economic Development. Initially there was no hierarchy within the staff, but later one of the four was appointed Director. The OED Director, however, was always the ultimate authority on major TJDP issues. The close association with OED was essential for the TJDP staff. It gave them legitimacy in the eyes of businesses and City agencies. Support from OED and the Mayor remained solid throughout the demonstration.

Major Accomplishments of TJDP

The Targeted Jobs Demonstration in Lynn recorded a total of 196 placements.

However, this figure gives an overly positive impression of the effectiveness of the job targeting strategy. Just over 70% of these placements were TJTC certifications (many of them retroactive) with two Lynn firms. All or nearly all of the jobs paid minimum wage, and turnover in them was very high. The Business Manager in one of these firms estimated that 5 of the 90 people certified (and thus counted as TJDP placement) were still working for the firm in the summer of 1982. Some of the placements made with other firms were also of questionable quality, but others were quite good. Just less than 20% of the placements were with firms connected to targeted projects. TJDP job targeting efforts promise to deliver a number of future placements, but at this point the scorecard must be read as showing mixed results. Delays in the timetables of several key projects inhibited further job targeting success. TJDP also was responsible for the design and implementation of two training programs. The first, for machinists, ran into serious trouble when trainees from CETA and welfare lost their subsidies and the businesses involved were not able to hire trainees because of a deteriorating economy. The second, for stitchers, is now underway and looks promising. Thus, the job targeting strategy in Lynn was not an unambiguous success.

The record for business assistance services was also mixed. Working with firms participating in targeted projects to ensure that matters proceeded as quickly and smoothly as possible was a major part of the demonstation in terms of staff time devoted. In the end, however, few actual jobs resulted from this activity, although employment plans are in place that should yield jobs in the future. With TJDP, came the first use of set-asides for minority subcontractors in Lynn economic development projects. These were viewed as successful by the OED Director and many others, including, of course, the firms receiving the subcontracts. The set-aside policy is to be continued and stands as a solid accomplishment of TJDP. There were several other specific

services that were either planned or actually established for helping minority firms (a revolving loan fund, technical assistance, a Spanish newsletter, and a City affirmative action plan), but none of these proved effective.

TJDP did succeed in bringing about a better link between economic development and employment and training agencies in Lynn. Through the job placement system described above, both the City CETA agency and the State's Division of Employment Security (DES) referred low-income people to jobs in firms assisted by OED. (It should be noted that both of these agencies viewed the TJDP staff role in this as mostly superfluous.) In addition, the two training programs brought together economic development and employment and training agencies with the private sector in cooperative ventures. Still, the linkage between sectors in Lynn was more flimsy and less effective than it should have been. Even though the TJDP staff had some background in employment and training (as is shown by the training programs they developed) their pre-hiring negotiations with project related firms did not typically emphasize or promote the full range of employment and training services available in the community vigorously enough to make them an integral part of the process. Firms were informed of these services, but the TJDP staff was not in a position to make decisions about the development of employment and training resources, or even to design a full program of training and placement services for the firms. Such a strategy would have required bringing someone from a local employment and training agency into these negotiations, which was not done. As a result, the employment plans of participating firms were vague and could be evaded rather easily. An exception to this pattern was the stitcher training program, which offered the promise of being a very effective linkage. Nonetheless, the employment and training agencies and the economic development agencies felt that they benefited from the presence of TJDP.

TJDP itself did not bring about any great change in the economic development or employment and training landscape even though cooperative relations were established. The OED Director hoped to move toward a close working relationship with CETA now that TJDP helped to show some of the benefits that could come from such a relationship. The City CETA office was excited about the stitcher training program, and looked forward to working with OED on more joint ventures in the future.

Reasons for Progress and Problems

The Lynn TJDP enjoyed the support of several key actors in the public and private sectors, which was of great benefit to the staff as it attempted to achieve its goals. The OED Director and the Mayor were two very important sources of such support. The businesses participating in the various facets of TJDP were also quite supportive because of their favorable attitude toward OED and the close association between OED and TJDP. On the employment and training side, the City CETA agency was very cooperative, and, while there was some friction with DES, they too were basically cooperative. However, there was no direct connection between TJDP and a CETA prime sponsorship or a PIC. This was the only significant negative factor in the political-administrative environment.

Economic conditions were reasonably good in the first year of the demonstration, but became quite poor in the second. Naturally,this inhibited job placement activity. Even though a great deal of progress was made in getting most of the planned projects underway only three of the eight (one was added to the original seven) targeted projects reached the point of construction during the demonstration. One of these was completely destroyed, and a portion of another badly damaged in a catastrophic fire which Lynn experienced in November, 1981. The other project was still in construction when TJDP ended, with most of the jobs promised for the future. It should be noted that the fire and its aftermath halted nearly all normal activities of public agencies in the City (including TJDP) for a considerable period of time. All of these factors

conspired to limit the effectiveness of job targeting efforts.

The TJDP staff itself was mostly a plus. Three of the four members were hard-working, dedicated, and well-intentioned. Initiative was shown in the development of a job placement system using referrals from CETA and DES, and in obtaining two training grants from the state. The coordinative work on projects was also highly regarded by local actors. Nevertheless, staff efforts in all of these areas could have yielded larger returns if someone with a broader background and more experience in employment and training had been involved. Over time the staff became more oriented toward economic development and business assistance and less directed toward job targeting. The minority business assistance program likewise could have benefitted from a more experienced staff member.

A SUMMARY OF THE METCALFE, MISSISSIPPI TARGETED JOBS DEMONSTRATION PROGRAM

PREPARED BY Lance Smith

Overview and Origins of the Demonstration

The Town of Metcalfe, Mississippi, is a small rural community of 1,000 residents located three miles outside the City of Greenville, which is in the extreme western part of the State. The community was granted a Charter of Incorporation from the State in November 1977. Prior to incorporation, the community was not really served by any unit of local government, since it fell outside the boundaries of Greenville and was largely ignored by County and State authorities. Metcalfe was, and largely remains, a small community of Black families, many of whom are housed in what are literally shacks, and dependent on welfare and temporary jobs in Greenville or on nearby farms.

Metcalfe's proposal for participation in the Targeted Jobs Demonstration Program (TJDP) was prepared by the Mississippi Action for Community Education (MACE), a local community development corporation headquartered in Greenville. One of MACE's many activities has been to assist small Black communities in becoming legally incorporated so that residents can control the distribution of public resources in their areas. As of September 1982 three Black-controlled towns were created, one of which was Metcalfe. After their incorporation, MACE helped them secure outside funds for community improvements. All of Metcalfe's community improvement projects, as well as its TJDP grant, were developed by a senior member of the MACE staff. Until TJDP staff were hired, this individual was the only person who knew anything about TJDP in Metcalfe.

TJDP, as described in Metcalfe's TJDP grant proposal, consisted essentially of hiring a TJDP staff as part of the Metcalfe government. The proposal called for the staff to negotiate agreements with contractors on federal projects to hire local residents, obtain outside funding for Metcalfe, coordinate with economic development

and employment and training agencies, and assist local residents in obtaining construction and permanent jobs from a number of federal projects already planned for Metcalfe.

TJDP moved slowly in Metcalfe because MACE did not believe that a quick startup was necessary or urgent. TJDP staff were not hired until August 1981. By then all of the federally assisted construction projects targeted in Metcalfe's TJDP proposal had been completed. The only other project available for developing jobs and business opportunities for Metcalfe residents did not begin until May 1982.

Five individuals were hired to administer TJDP in Metcalfe: a Project Director, Business Development Specialist, Administrative Assistant, Community Development Specialist, and Secretary. Two were housed at the MACE headquarters in Greenville, and three in the Metcalfe Town Hall.

The TJDP staff quickly realized that the administration of the Town was disorganized. The Town's natural gas system was in danger of bankruptcy because of underbilling, the water system was not being adequately maintained, and the Town's auditing and accounting procedures were haphazard. Consequently, the TJDP staff spent much of its time reorganizing Metcalfe's fiscal administration.

The staff's programmatic activities were directed primarily at gathering data for future use in attracting industry to Metcalfe and channeling Metcalfe residents into any jobs that were developed.

Major Accomplishments of TJDP

TJDP staff took several steps towards targeting jobs and leveraging business opportunities for Metcalfe residents in federally assisted construction projects. First, coordinative linkages were established with the Mississippi Research and Development Center, which assists employers interested in locating in Mississippi with identifying communities best suited to their operational requirements. This

was the first effort made by anyone to link Metcalfe to the economic development activities of the State government.

Second, staff contracted for a survey of Metcalfe residents and compiled a directory containing their employment status and skills. The directory will be used to identify individuals suitable for jobs resulting from economic development efforts in federally construction.

Third, staff contacted and compiled a directory of small and minority business enterprises willing to hire Metcalfe residents in construction jobs on federally assisted projects. The directory will be used for choosing subcontractors in future projects.

Although at this time there are few impacts from TJDP, there may be some important benefits from TJDP in the future. The linkage with the Mississippi Research and Development Center may bring industry to the area. And the information gathered on local residents and construction subcontractors may help Metcalfe residents obtain construction and permanent jobs in a federally assisted construction project that recently began. The success of job targeting efforts will depend largely on whether Metcalfe develops contractual requirements for subcontractors and other employers to hire Metcalfe residents, and formal procedures for referring residents to job openings.

Reasons for Progress and Problems

Overall, both the progress and problems of TJDP in Metcalfe stemmed primarily from its political and organizational environment, together with some idiosyncratic factors. In effect, MACE wrote all of the Town's grant applications and brought in grants to develop water, gas, and sewer systems, build an industrial site for a railroad spike manufacturing company, and establish subsidized housing. MACE clearly helped Metcalfe, and to a limited extent it tried to ensure that business and employment

opportunities from the federally assisted projects it brought into Metcalfe went to Metcalfe residents.

When TJDP came into this organizational environment, it was adapted to serve the priorities of MACE and address the immediate problems of Metcalfe. The program was slow in starting because MACE was focusing on other activities and did not quickly hire a TJDP staff. Once hired, the staff believed that it was more important to reorganize the Town's fiscal administration than to pursue TJDP's programmatic goals. Finally, when programmatic activities began, they centered on gathering data for future use in attracting employers to Metcalfe because of the Town's most urgent need for economic development.

A SUMMARY OF THE MILWAUKEE, WISCONSIN TARGETED JOBS DEMONSTRATION PROGRAM

PREPARED BY Randall Ripley

Overview and Origins of the Demonstration

Milwaukee decided to apply for a TJDP grant because the two key individuals who wrote the proposal--the Private Industry Council President (the chief staff member) and the Acting Director of the Division of Economic Development in the City's Department of City Development (DCD)--thought it would be a good opportunity to bring some extra resources into the community. Simultaneously they saw an opportunity to try to develop some economic development-jobs coordination between the City and county (the CETA prime sponsorship and thus the "host" jurisdiction for the PIC), with the local Chamber of Commerce (Metropolitan Milwaukee Association of Commerce, MMAC) added as a third partner.

From the outset TJDP in Milwaukee was conceived of as a vehicle for achieving a variety of local goals, some held in common by the participating organizations and individuals and some held only by subsets. Also from the beginning TJDP was not conceived as an entity separate and apart from other already existing enterprises and agencies. It was supposed to be intermingled with existing programs, agencies, and activities. And, if events or new ideas seemed compelling, the key actors felt free to change the details of the project as it evolved over time. Thus the Milwaukee TJDP was characterized by 1) fluid boundaries, 2) changing programmatic emphases, and 3) central attention to a variety of local goals.

In practice, the three sponsoring agencies pursued four general goals:

1) the creation of job opportunities, especially for the most job ready of the CETA-eligible population. The number 400 was used in the proposal;
2) the creation of business opportunities, especially for small and minority businesses;

3) the creation of a regularized linkage among the three core agencies as they pursued their separate programs, agendas, and goals; and,

4) the building of local capacity to plan and manage both public and private investments in such a way as to maximize economic development results.

Firm job commitments tied directly to the award of either federal or local economic development aid such as UDAGs, local loans using federal funds, local tax investments, or local industrial revenue bonds were not pursued. "Targeting," defined as leveraging jobs for CETA-eligibles during negotiations prior to the award of federal economic development assistance, likewise was not pursued in Milwaukee during most of the life of the project. Key actors in Milwaukee TJDP program did not accept this definition of "targeting" as legitimate and did not design or operate a program that attempted to achieve it.

Most of the TJDP money went for 2 1/2 staff positions--1/2 at the PIC, and full positions at DCD and MMAC. Only in the first quarter of the project (October-December, 1980) was the focus exclusively on companies that had received economic development aid. After that, all businesses in the county were considered targets. The 1/2 time staff member at PIC principally played the role of thinking of new ideas and programmatic ventures to consider pursuing. The DCD staff member basically became an OJT job developer. The MMAC staff member focused on upgrades and on small and minority business assistance. Coordination and interaction between these three individuals fluctuated but, overall, was minimal.

Major Accomplishments of TJDP

As of June 1982, job opportunities were created for 55 CETA-eligible individuals who filled OJT slots and 11 individuals who filled direct placement slots, all developed by the DCD-TJDP staffer. A small number of upgrade slots helped create some of the OJT slots, although the upgrade effort in general was not a success and was abandoned in the Spring of 1982.

The employment referral service created for the tenants of a downtown retail mall which opened in late August, 1982 may have resulted in some jobs in the $3.35 to $4.25 range for CETA-eligibles. The developer certified that there were to be a minimum of 500 full-time and part-time jobs available when the mall opened. However, the structure of the referral service did not appear to create many chances for intervention on behalf of the disadvantaged. The key actors in making the entire referral service work smoothly were the Wisconsin Job Service and the developer. The key intervention role for the disadvantaged was played by the DCD-TJDP job developer.

The one concrete business assistance service with observable payoffs was provided by the Minority Business Council, which pre-existed TJDP but was staffed by the MMAC-TJDP staffer during the TJDP period. This council sponsors minority business presentations to purchasing agents of majority Milwaukee businesses and results in increased business for some of those making presentations. The most visible and concrete instance of TJDP-sponsored coordination was in relation to the mall referral service. This effort went through many different stages of design before a formula that all participating agencies could agree on was finally found.

TJDP made no immediate, profound changes in the economic development and employment and training landscape in Milwaukee. The most optimistic local assessments were that TJDP opened up some channels of communication between different agencies and individuals that might have a payoff in the long run for the City and County in terms of linking economic development with jobs for poorer residents. Most locals felt that all agencies and programs would return to "business as usual" after the demonstration's end. However, the definition of "usual" changed at least in DCD, where a number of professionals increased their awareness of the utility and desirability of a jobs component for their ongoing activities because of their

interaction with the able staff member who was hired for two years with TJDP funds. DCD is keeping this individual at least through December, 1982, and is seeking ways of keeping him longer, perhaps through jointly funding the position with the PIC.

Reasons for Progress and Problems

Key factors that help explain both the presence of some accomplishments and the lack of achievement of many local and national objectives can be identified briefly as the following:

1. A deteriorating local economy meant that few businesses were hiring. Even some of those that had expanded with economic development aid had to lay off most or all new employees by the Spring of 1982.

2. The lack of any visible positive support from City and County political figures for using TJDP innovatively helped guide the staff toward fairly conservative goals.

3. Non-interference with staff initiatives and activities by higher levels in the participating organizations helps explain why able staff members could achieve some things. At the same time it meant that weaker staff members were not supervised well. And, it deprived the entire effort of any organizational muscle that might have been necessary had new directions been sought. Thus the relative autonomy of staff proved to be a mixed blessing.

4. The skills and perserverance of the DCD-TJDP staff member were particularly useful in achieving even modest accomplishments.

5. The lack of a targeting effort involving some form of pre-award quid pro quo (public resources for private jobs for the disadvantaged) meant that "targeting" had to be post hoc. This helps explain why successes were few in the job opportunities effort. Employers saw no reason to change normal hiring practices and did not.

6. The sporadic nature of coordination suggests that there was not enough

consistent leadership from any single source to promote coordination that would have some major impact even though a number of individuals gave some time and effort to promoting coordination and some of these attempts worked.

A SUMMARY OF THE MONTANAWIDE TARGETED JOBS DEMONSTRATION PROGRAM

PREPARED BY Kenneth Ryan

Overview and Origins of the Demonstration

The original TJDP proposal was developed by the Executive Director of the Tribal Employment Rights Planning Committee (TERPC). TERPC is a national Indian organization which advocates Indian employment rights. With the support of the seven tribes throughout the State of Montana, the overall goal of the program was to develop and implement a comprehensive employment strategy both within each reservation and among the tribes Statewide. Despite the sovereign employment rights of Indians established by Congress in 1964 and the large volume of federally-assisted construction projects on reservations in the 1970's, Indians were not being employed in significant numbers.

The primary mechanism for improving Indian employment was the establishment and/or strengthening of Tribal Employment Rights Office (TEROs) on each reservation. Section 7B of the Self Determination and Educational Assistance Act provided a sound legal basis for increasing the number of Indians employed on a reservation; however, many tribes lacked the legal expertise and organizational resources to effectively implement these employment rights. The TERO is a reservation-based agency created by a tribal council to enforce the special employment rights of Indians. The TERO's function is to identify jobs, negotiate with employers, enforce hiring goals, refer applicants and monitor results.

In addition to TERO development, the major activities of the Montanawide TJDP included assistance to Indian contractors, establishment of a computerized Statewide job bank, Bureau of Apprenticeship Training approval of reservation-based training in the construction field, and the coordination of training and employment programs.

The TJDP was housed at the Blackfeet Native American Program offices on the Blackfeet Reservation in northwestern Montana. Although TERPC was the original grantee of the program, sponsorship of the grant was transferred midway through the grant to a newly formed non-profit corporation, the Montana Targeted Jobs Demonstration Program, Inc. The staff consisted of a part-time director, and assistant director for construction, an assistant director for manpower and a secretary. As a non-profit corporation, the program operated autonomously with some indirect accountability to the Blackfeet Tribal Council.

Major Accomplishments of TJDP

The Montanawide Project has achieved a number of significant objectives during its two years.

TERO Development. The primary thrust of the TJDP effort was the strengthening of the TERO concept Statewide. While economic factors affected the actual number of job placements, significant progress was achieved in strengthening and institutionalizing the TERO concept. The TERO mechanism was also successfully modified by TJDP staff to deal with oil and gas exploration companies. The process of identifying jobs, securing hiring agreements, referring applicants, and monitoring employers matured and was very effective on both the Blackfeet and Fort Peck reservations. TERO development at three of the remaining five reservations was not as advanced but clearly benefited from the TJDP effort.

Contractor Assistance. While federal funding cuts reduced contractor assistance activities, assistance by the TJDP staff was still provided to contractors in bid preparation for the limited work that was available on the Blackfeet Reservation. An effective mechanism was also established by TJDP to refer Indian contractors to available work on nearby reservations.

The Natural Resources Department On the Blackfeet Reservation, this department was created by the Tribal Council to plan, develop, control, preserve, and utilize natural resources for the benefit of the reservation. It was relocated under the supervision of the Director of TJDP. The positioning of this department with TJDP was designed to allow the close coordination of both efforts which should result in effective jobs targeting in this growth area.

Program Development. Although not funded as of September 1982, TJDP staff developed two programs, the implementation of which would have a significant impact on the economic development landscape. One program, co-sponsored by a major domestic oil company, would promote the development of small tribal and Indian-owned economic enterprises related to oil, gas, coal and other minerals development on reservations. The second proposal included creative financing to attract a manufacturer of firearms on the Blackfeet Reservation which would employ over 100 residents.

Coordination. TJDP staff achieved limited success in establishing Statewide coordination among the seven tribes. Strong linkages existed among TJDP staff and the TEROs on the Blackfeet, Fort Belknap, and Fort Peck Reservations. A moderate degree of coordination was achieved with the Flathead Reservation, and little or no linkages existed with the remaining three reservations: Northern Cheyenne, Crow, and Rocky Boy.

The extent of coordination among agencies within each reservation was directly related to the strength of the TERO. The Blackfeet, Fort Belknap and Fort Peck Reservations appeared to coordinate closely with the TERO, Tribal Councils, Indian Action Programs and Natural Resources Departments. On all reservations however, the CETA programs have virtually no relationships with the TERO/TJDP efforts.

The TJDP effort served to institutionalize the TERO concept in varying degrees across the State. The program's efforts related to natural resource exploration also should provide a valuable foundation as this field increasingly impacts Indian reser-

vations. Little or no change was effected in the employment and training arena; CETA still functions in isolation of the employment rights effort.

Reasons for Progress and Problems

The local economy which is highly dependent upon federal aid projects significantly altered the TJDP effort. Fortunately, the emergence of natural resources exploration on some of the reservations provided some employment and the expectation of a major positive economic impact. The TJDP staff was successful at redirecting the TERO targeting efforts to the natural resources field.

The major reason for the progress, and potential impact, of the Montanawide Project was the legally enforceable employment rights provision contained in Section 7B of the Self Determination and Educational Assistance Act. The private employers interviewed understood the Indian hiring preference and mildly cooperated with the process. Only two exploration firms refused to perform work on the reservation due to the Indian employment rights requirements.

The inability of the TJDP staff to foster effective TEROs at each of the reservations was directly related to the changing membership of the tribal councils and their priorities at the respective reservations. The limited coordination among employment and training agencies, and economic development agencies within each reservation could also be traced to this highly political environment.

A SUMMARY OF THE NEW YORK CITY, NEW YORK TARGETED JOBS DEMONSTRATION PROGRAM

PREPARED BY Carl Van Horn and David Ford

Overview and Origins of the Demonstration

Prior to TJDP, New York City's economic development and employment and training agencies seldom worked cooperatively with one another. Efforts to reverse this trend got underway in 1979 under the auspices of a Rockefeller Brothers Fund Employment Task Force. Senior City administrators, elected officials, and representatives from private industry and unions joined with one another to discuss how the City's public and private agencies could better focus their resources on creating jobs through public investments in economic development. With the City's Office of Economic Development and Private Industry Coundil (PIC) in the lead, the Task Force served as a focal point for developing a TJDP proposal for submission to Washington, D.C.

Local officials viewed TJDP as an opportunity to help bring about and institionalize inter-agency coordination and to educate one another about their agency's programs and approaches. More specifically, the City's TJDP proposal sought to obtain jobs and business opportunities from federally assisted economic development programs for low-income residents and small and minority businesses.

TJDP got underway, as planned, in April 1980 and ended in September 1982 when the $197,000 in grant funds were exhausted. Three professionals were hired by the PIC and were strategically placed: one within the City's Public Development Corporaton (PDC), which handled the development of City-owned property; one at the Economic Capital Corporation (ECC), which administered the City's Urban Development Action Grants (UDAGs) and a Revolving Loan Fund (RLF) capitalized with money from the Community Development Black Grant Program and the Economic Development Administration; and, one on the PIC's staff. (The PDC staffer left TJDP when he accepted a regular

position with his host agency in June 1981. He was not replaced.) Each TJDP staff member concentrated on different aspects of the economic development/job training linkage. The staff member located at the ECC marketed PIC-funded training programs and PIC clients to employers assisted under the City's UDAG and RLF programs. The staff person housed with the PIC brought PIC services and clients to the attention of employers aided by other City, State, and federal economic development agencies. The PDC staff member informed employers in the PDC's targeted industrial areas about available employment and training services, and developed an audit/conservation program and a security program for these employers as well. The only significant departure from the original proposal was the substantial decrease in attention paid to spin-off business opportunities for small and minority businesses. This objective received less attention from TJDP staff because the City received another demonstration grant with overlapping objectives at the same time that they received the TJDP grant.

Major Accomplishments of TJDP

Overall, the job targeting strategy and outcomes produced in New York's TJDP were worthwhile. A process for joining employment and training programs and services with economic development projects was established in the ECC--an agency that generates a large number of projects and jobs. The creation of jobs for the economically disadvantaged was elevated on the economic development agenda; TJDP was clearly responsible for quickening the pace of cooperation between the PIC and the ECC.

ECC staff pointed to important benefits from TJDP. The process of estimating the number of jobs to be created on economic development projects was improved and a mechanism for tracking job creation after the projects began was created within the ECC, using the former TJDP staff member.

The PIC was also satisfied with its participation in TJDP. The PIC's visibility in the economic development community, and with the businesses and financial institutions associated with it, increased substantially. Enhanced visibility provided immediate opportunities to market PIC services and clients to a subset of New York's employer community and promised long-term institutional benefits.

Despite these positive accomplishments, participants in the demonstration were disappointed by the failure to obtain a large number of jobs from economic development projects for CETA-eligible individuals during the period of the grant. TJDP staff energetically pursued opportunities for CETA job placements with over 180 employers and signed agreements with 79 of them commiting them to the PIC as a First Source of referrals for specified jobs; unfortunately only 131 individuals were placed in these firms. Most of the jobs came from only a few firms and job placements fell far short of the City's original objective of 2,500 jobs. The potential remains for jobs for low-income people through the ECC/PIC effort and important initial work was accomplished. Whether these efforts will lead to substantial benefits for CETA-eligibles will be determined in the future.

TJDP's role in business assistance was not primary since the efforts pursued by PDC, impressive as they were, likely would have occurred even if TJDP funds had not been available. TJDP funds did supplement available PDC funds and encouraged a focus on the employment needs of employers in PDC's targeted industrial areas. PDC's relationship with the PIC was strengthened by TJDP's existence, and resulted in the provision of PIC training funds for the energy audit and security programs.

In summary, TJDP made its mark on the economic development and employment and training landscape in New York. Economic development agencies, particularly the ECC, were able to improve their job estimates on development projects. Employment and training incentives and services were added to those that the ECC could offer

New York City businesses. The PIC was elevated to a full partner in the City's economic development community. These important changes were substantially helped along by TJDP. Without it, local actors agree that either inertia would have prevailed or it would have taken three more years to accomplish the same improvements. The demonstration funds were well spent in New York. In fact, it is remarkable that such a minor intervention could make an important difference in such a large and complex environment.

Reasons for Progress and Problems

The TJDP experience in New York underlines a familiar but important lesson about coordination between large bureaucracies. Interagency coordination can occur when each agency sees advantages to cooperation and when talented people concentrate their energies on making the connection. To the extent that TJDP was successful, it was due in large part to the combination of supportive environments at the ECC and the PIC and to the talents of the TJDP staff. Each agency perceived institutional benefits from changing its familiar practices and from reaching out to the other agency. The TJDP staff provided the glue to make this idea stick.

The low number of high quality jobs obtained for CETA-eligibles during the demonstration period is explained in large part by factors beyond the control of the economic development and employment and training agencies and certainly beyond the control of the TJDP staff. Among the more important factors depressing job placements were the generally weak economy of the nation and the region, which exacerbated inherent problems of delays in economic development projects; the inability to obtain construction jobs for CETA-eligibles, due to high unemployment within the industry; and, the absence of cooperation by several federal, state, and City economic development agencies. While these problems were important, more job placements would have occurred during the demonstration period if the TJDP staff and their host agencies,

the PIC and the ECC, had developed a more thorough job targeting strategy with careful project monitoring and employee referral procedures. The PIC and the ECC hope to correct some of these shortcomings through the establishment of a jointly funded employment services unit within the ECC that will track project development and employer hiring needs.

A SUMMARY OF THE PATERSON, NEW JERSEY TARGETED JOBS DEMONSTRATION PROGRAM

PREPARED BY Michelle Lebovitz Lamar

Overview of the Demonstration

The Paterson proposal for TJDP funding was written by the Chief Planner for the Employment and Training Administration (ETA) with assistance from the Assistant Director for Economic Development of the Department of Community Development (DCD). The preparation of the application was supervised by the Deputy Director of ETA, who also developed the budget.

Various reasons were given as to why the City submitted an application. ETA staff felt that it would be an interesting project for Paterson and that the City had had some experience in the area of coordination. DCD staff explained that they were willing to help ETA out in applying for funding. One former DCD administrator further elaborated by stating that DCD "applied for all grants regardless of what they were for--if demonstration money was all that we could get then we applied for it." It should be noted that one local respondent claimed that no one ever felt that the application would be approved, because it was thought that the proposal just was not that solid.

The Paterson TJDP proposal had three objectives which closely mirrored the objectives of the national demonstration effort. These objectives were:

1. Expand existing efforts to coordinate economic development and employment/training resources for the purpose of decreasing the City's long-term, disadvantaged, unemployed population through expanded business activity;
2. Target a percentage of jobs created as a result of federally-assisted projects for economically disadvantaged persons eligible for CETA services; and,
3. Create effective mechanisms to assist small/minority-owned businesses in realizing spin-off opportunities as a result of federal development.

The first objective was to have been achieved through the implementation of formalized procedures between DED and ETA. The second and third objectives were to

have been realized by targeting TJDP efforts to two project areas which were receiving a substantial influx of federal funding. The Private Industry Council (PIC) of Paterson was to have further assisted with achieving the third objective by assessing the number and type of spin-off business suitable for small and minority businesses that could be found in the two project areas.

The TJDP project officially began in January 1981 with the hiring of a Project Director and the establishment of offices located in a building owned by ETA. Three other staff persons were subsequently hired; an administrative assistant, an employment and training specialist and an economic development specialist. A marketing/research specialist was called for in the application but this position was never filled. By the Spring of 1981, the TJDP project had relocated to offices adjacent to the PIC, under whose "umbrella" the program was placed.

The Paterson TJDP project initially began by restricting job development efforts to the two project areas. TJDP staff, however, did not focus exclusively or even primarily on firms receiving economic development assistance. Eventually, TJDP staff branched out to work with any business that was referred to it by DCD, PIC or the Chamber of Commerce, again regardless of whether or not economic development assistance had been received. In addition, TJDP staff, at the request of the PIC, assisted in the development and operation of the Machine Tool Operators Program and, during the final field visit, spoke of helping in establishing other PIC sponsored training programs.

Major Accomplishments of TJDP

The Paterson TJDP project did not target federally funded projects in order to develop jobs for CETA eligibles, even though this goal was outlined in the original proposal. TJDP staff, however, was not inactive. As of the latest Quarterly Jobs-Related Activity Report, 96 placements had been made, with another 58 reported during the third and final field visit representing a total of 144 jobs. These placements

were achieved by contacting firms through leads and introductions provided by PIC, DCD, and the Chamber and, by placing graduates of the Machine Tool Operators Program.

The Paterson TJDP project did not create mechanisms to provide spin off opportunities for small and minority businesses as the Paterson TJDP proposal called for. (In certain cases however, TJDP staff did screen applications, provide office space for interviewing and process Targeted Jobs Tax Credits.) While one person interviewed claimed that small business assistance was to have been the most important part of the TJDP effort, other respondents indicated that the problems in working with small and minority businesses far outweighed the benefits.

The Paterson TJDP effort strengthened some informal ties between PIC, DCD, the Chamber of Commerce and TJDP. Local respondents felt that public sector/private sector relationships improved and that individual employers who worked with the TJDP staff gained respect for City programs. The TJDP project did not establish any structured or formal mechanisms for coordination between TJDP/ETA and DCD, which the Paterson TJDP proposal identified as important for the efficient utilization of scarce City resources.

The Paterson TJDP project did not significantly alter the City's economic development and employment and training landscape. As one local respondent explained, TJDP was just a "drop in the bucket;" the project was too brief in duration and too limited in funding to make a real impact on the City.

In addition, the project never received from DCD the support that would have been necessary to implement a coordination strategy. Furthermore, no chief elected official or top agency administrator interviewed was in favor of hiring agreements. And finallly, TJDP staff had neither the political "clout" nor economic development experience to push a targeted jobs strategy.

The Paterson TJDP project, however, did not terminate on September 30, 1982, without leaving some residual benefits. First of all, TJDP developed approximately 144 jobs for CETA-eligibles during a time when the City's economy deteriorated and ETA suffered staff and program reductions from CETA cutbacks. Secondly, TJDP helped establish some informal coordination among various City departments. Finally, through the PIC,TJDP aided in the improvement of relationships between the public and private sector.

Reasons for Progress and Problems

The accomplishments achieved by TJDP in Paterson were directly tied to the quality of TJDP personnel. TJDP staff was experienced in the area of employment and training, and worked well with employers and employees in developing jobs for CETA eligibles.

The problems which the TJDP effort encountered, in establishing a program that would meet the objectives of Paterson's TJDP proposal, were more varied. First, no one interviewed during the three Field Visits supported the concept of hiring agreements; it was felt that to put additional restrictions on employers receiving federal assistance would only jeopardize City economic development projects. Second, DCD was not committed to the TJDP concept even though in the TJDP proposal it had agreed to cooperate. DCD staff stated that formal coordinative mechanisms were not necessary and that the Department, while sympathetic to the work that TJDP staff was doing, had other, more pressing projects to concern itself with.

Third, the resignation of ETA personnel responsible for preparing the TJDP proposal left the project directionless just as it was getting underway. Implementing a TJDP project even under the best of circumstances would have been difficult; there were serious obstacles to overcome. The TJDP Project Director, had an extensive background in employment and training but, was inexperienced in the field of economic

development. Nevertheless she was put in charge of TJDP and given little direction either at the local or federal level. Not surprisingly, she decided to do what she could do best--develop jobs. Although the TJDP effort in Paterson did not entirely meet the objectives of the original proposal or the federal intent, the successes of the project, no doubt, had a significant impact on those people it did place and the PIC programs it worked with.

A SUMMARY OF THE PHILADELPHIA, PENNSYLVANIA TARGETED JOBS DEMONSTRATION PROGRAM

PREPARED BY Robert Beauregard

Overview and Origins of the Demonstration

For Philadelphia, the Targeted Jobs Demonstration Program (TJDP) represented another opportunity to refine and expand its economic development and employment and training activities. As an aggressive pursuer of federal and state grants, the City government responded to the initial request for proposal. Officials from the Office of Employment and Training (the City's CETA prime sponsor), the Office of Housing and Community development, and the Private Industry Council along with representatives from the Greater Philadelphia Chamber of Commerce met to formulate a response. Ultimately the proposal was completed by and the grant housed within the Private Industry Council. The objective of its proposed demonstration project was to target employment and training services to a geographic portion of the City (the American Street Corridor) in order to enhance the industrial district planning which had been under consideration over the last few years and to augment the economic development activities which were then occurring in this area.

Over the term of the grant, the provision of employment and training services to firms within the American Street Corridor remained the dominant focus. These services included the development of two classroom training programs, the marketing of on-the-job training assistance, assistance to the local business association, contacts with community-based organizations in order to identify unemployed residents and the rehabilitation of an abandoned building for use as a training facility. In addition, the TJDP staff undertook a number of research projects concerned with employment in the district, provided information for the planning of similar industrial district projects within the City, and worked on a variety of project-specific

employment schemes, such as the development of a hotel training program.

At its peak size, the TJDP had three full-time staff persons, a part-time grant manager and a secretary. These people implemented the above activities by working with the Private Industry Council staff for research and job training assistance, with the Office of Employment and Training for intake and referral, with the Office of Housing and Community Development for coordination of the American Street Corridor activities, and with the Philadelphia Industrial Development Corporation for referrals of businesses that had received economic development assistance.

Major Accomplishments of TJDP

Probably the most important accomplishment of Philadelphia's TJDP was its test of geographical targeting on an industrial district primarily populated by small business enterprises. From this, many lessons were learned about the difficulties of working with small businesses, the problems of geographical targeting, and the frictions within the employment and training sector, and between it and the economic development sector. It is doubtful that future targeting and linkage activities in Philadelphia will occur in precisely the same fashion. More substantively, this demonstration project involved business people in the employment and training arena, furthered the link between the economic development and employment and training sectors, and, placed 45 individuals in paid employment. Additionally, TJDP established more numerous and stronger coordinative ties among the Private Industry Council and the Office of Housing and Community Development, the Philadelphia Industrial Development Corporation, and the City's Department of Commerce.

Given the size of the demonstration grant relative to the scale of economic development and employment and training activity in Philadelphia, as well as the relative obscurity of TJDP as a demonstration project (it was not touted as such and was placed within one of the smaller agencies), it was not surprising that its

overall impact on these two policy sectors was slight. Almost no changes in the economic development arena can be attributed to the presence of TJDP. As for recent modifications in employment and training activities (explained below), TJDP may have had some effect in suggesting strategies to avoid, but the major re-direction which occurred was dictated mainly by forces outside of the City; i.e., changes in CETA funding levels and the national economic recession. What TJDP leaves behind is not just a better understanding of geographic targeting and linkage but also some new and potentially fruitful relations between the Private Industry Council and a number of other agencies concerned with managing economic development projects for the maximum benefit of Philadelphia residents. This idea, however, preceded TJDP and might have developed even without TJDP's presence.

Reasons for Progress and Problems

The accomplishments of this demonstration project can be attributed to the quality and perserverence of the TJDP staff, the support from the Private Industry Council and the Office of Housing and Community Development, the initial decision by the executive director of the Private Industry Council to provide the staff with the opportunity to attempt an innovative job targeting strategy, and the receptive-ness of employers in the American Street Corridor towards working with an employment and training agency. These factors enabled the TJDP to achieve its 45 job placements and to work on a friendly and fruitful basis with local agencies, the business association and employers.

More obvious is the lack of success in attaining the original goal of one hundred placements and in establishing permanent coordinative mechanisms which would bring about a perceptible change in the economic development and employment and training landscape. The factors here are more easily grasped. Probably the dominant

one is the choice of a job targeting strategy. Targeting small business enterprises in a geographical area just did not unearth major employers with large numbers of job openings for the types of economically disadvantaged individuals served by the PIC. This, coupled with recessionary national and local economies, meant that few employers would be hiring. A more project-specific approach might have been more fruitful in terms of job development.

During the course of the grant, the intergovernmental environment was also in turmoil, with the employment and training sector in Philadelphia undergoing numerous changes, many of which deflected TJDP from its goals. Internal disruption within the employment and training sector reverberated into the Private Industry Council and the Office of Employment and Training. The environment was not conducive to innovation. Of lesser importance were the lack of explicit political support and recognition for a geographical targeting strategy and the cost-efficiency mentality which permeated governmental agencies. The TJDP did not have high visibility and lacked direct ties to key administrators and political officials. At the time, and mostly later in the project, the staff felt the need to produce results (meaning large numbers of placements) and thus were again deflected from the original objective of working with small businesses in a single geographical area.

Faced with a chaotic environment, Philadelphia's Targeted Jobs Demonstration Project produced a worthwhile test of geographical targeting on small businesses and, in the process, generated 45 jobs for the economically disadvantaged, at least one-half of which received skill training. It engaged in numerous coordinative functions and championed the linkage strategy with a variety of agencies. In these ways, it contributed to the advancement of governmental assistance to business and residents of Philadelphia.

A SUMMARY OF THE PORTLAND, MAINE TARGETED JOBS DEMONSTRATION PROGRAM

PREPARED BY David Ford

Overview and Origins of the Demonstration

Just before the Targeted Jobs Demonstration Program (TJDP) became available for application, two situations occurred which demonstrated to the City the desirability of a more formalized coordination and job referral process. In the first instance, a City library was built primarily with federal funds. The usual sign, "Jobs For Your Community," was in place,; however, the City social service director and others noted the irony that almost all of the construction contracts and jobs on this project were going to New Hampshire firms and workers. At about the same time, the Congress Square Urban Development Action Grant (UDAG) redevelopment plans and proposals were being developed. Congress Square is one of the important hubs of the City; although in decline it is still very much a residential area. Neighborhood groups felt that they had not been consulted regarding proposed changes. The timing of site removals for renovation were confused and displacement became a community issue. With the advent of TJDP, the City government was able to inform the community that Portland's unemployed would receive at least a portion of the benefits of the new UDAG even though City residents and businesses would temporarily suffer the discomfort of change. The TJDP proposal was written by the Director of Health and Social Services and the Personnel/CETA Director.

The focus of Portland TJDP remained relatively unchanged from the original proposal; the City administration (staff and council members), wanted to ensure that City residents, especially those who were low income, were at least seriously considered for jobs, and that business opportunities, where possible, were created in the City with City assistance of one sort or another.

The Targeted Jobs (TJ) office, which was based in the City's Employment and Training Division, part of the Health and Social Services Department, was responsible for convincing employers who "did business" with the City (UDAGs Industrial Revenue Bonds, City Bonds, selected City land sales, etc.) that they should cooperate with the Targeted Jobs office. The exact nature of the cooperation was left for negotiation to determine, but the City, in most cases, was satisfied if a company agreed to consider TJ-referred CETA-eligible applicants among their pool of applicants, and if the company kept track of CETA eligibility among the individuals it did hire, so that TJ could keep track of progress relative to its own goals.

The TJ office was also responsible for reminding the Economic Development Department that it should include "targeting" clauses in contracts with employers, for calling on employers and negotiating a targeting process, for introducing employers with training needs to employment and training service providers in the area, and for following up with employers to garner their cooperation when jobs actually became available. Additionally, a number of market studies, related to potential small business development, were done by TJ staff.

Major Accomplishments of TJDP

The City's job targeting process was established and made operational. It was not intended to be harsh on employers rather it intended to alert them to the City's interest in having low income individuals hired for jobs for which they were qualified (and, if possible, to provide employers with appropriate referrals for jobs which became available.) Specific goals were, in most cases, not required. Initial reluctance on the part of the Economic Development Department was overcome by support for targeting from the City Council and the City's senior administrators.

Portland's job targeting strategy was effective to the extent that the City administration wished it to be. In most cases, specific hiring goals or firm

enforcement procedures were absent except Urban Development Action Grants (where hiring goals were customary).

A total of 155 placements were reported by TJ staff as of the end of June, 1982. Approximately 40% of these placements were construction jobs (average wage was about $6.50 but often of short-term duration) and the remainder were so-called "permanent" jobs (average wage was about $3.75; mostly entry-level service jobs). In most cases, all but 10 perhaps, the employer hired individuals by using normal hiring procedures, and then reported them to the TJ office as CETA-eligible, based on a shortened CETA eligibility form devised by the TJ office. The TJ office did refer people for jobs and in most cases employers did interview them; but the City, which is not a CETA prime sponsor, did not have the capacity to provide vocational assessment nor were there many active applicants in the Employment and Training Departments' files, since the City had lost its CETA public service employment Program Agent status. Therefore, the City could not make guarantees to employers that appropriate referrals could be made. As a result the City's ability to require numerical goals of assisted employers was restricted.

TJ staff completed a six month long "Neighborhood Job Development" project, funded by the Maine State Employment and Training Council (SETC). The project included an analysis of potential growth occupations in two neighborhoods, provided neighborhood organizations with detailed information about options for a community-based economic development structure, and served as a catalyst to encourage the involved neighborhood organizations to set economic development goals for their communities. As of September 1982, this project had not yet led to the provision of any specific assistance to small or minority businesses but had led to a number of related market studies by TJ staff on small business development.

An active, though usually informal, coordination process was developed among City agencies (the Economic Development Department, the Planning and Urban Development Department, the City's Employment and Training Division), and also the Cumberland County CETA agency, Chamber of Commerce, and Maine Employment Service. While general cooperation was developing among these agencies, ever since March 1981 when the City Council passed its "jobs" resolution, the TJDP unit usually was brought in by each City agency at some point in the negotiations with most employers under serious consideration for City support or assistance. Prior to TJDP no coordination between the economic development and employment and training sectors had taken place.

TJDP negotiated intent, procedures and contract language with the employer and the City agency. When jobs became available for application, TJDP acted as the central referral point for the employment and training agencies in circulating job orders, screening applicants and referring them to employers.

TJDP in Portland added to the economic development and employment and training agency landscape rather than substantially altering what was there prior to TJDP. Portland's interest in encouraging employers to hire unemployed City residents was known, and procedures were in place to communicate employer needs to the area's employment and training agencies. But neither the scope nor design nor success of either the economic development or employment and training sector was much affected by TJDP.

Reasons for Progress and Problem

Targeting jobs was definitely on the local agenda. Local community groups, the City Council and the City's senior administrators were all aware of and in favor of gently prodding employers to hire local residents. Employers' abilities to work effectively and without constraint was also important to Portland's leaders.

City Council members now routinely ask about job issues relative to projects

under consideration. City administrators want companies to make realistic job projections in applications and they want companies to cooperate with the City by considering unemployed Portland residents for jobs. No decision maker however, wants to try to force employers to hire people whom employers do not want to hire. Other factors which helped the project included:

- Strong staff; knowledgeable, respected staff were selected for the effort.
- Portland was ready for a TJDP-like effort; an awareness was developing at the right time, on the part of some senior administrators, several community groups and several City Council members, that job targeting might be beneficial to Portland.
- Portland's economy remained relatively stable during the TJDP period.
- Portland's relatively small size (population about 62,000) made sharing of information easier if agency attitudes were positive towards the idea of information sharing. However, the City's size also meant that few economic development projects were in progress at any particular time, limiting the ability of staff to test and refine coordinating systems.
- Private employers were not overjoyed when approached about job targeting by the City. But when they realized that, after considering those individuals who would be referred by the City, the employer could still hire whom he/she wanted, objections were defused and most employers indeed cooperated. Little or no change in hiring patterns were evident, however.

A SUMMARY OF THE PORTLAND, OREGON TARGETED JOBS DEMONSTRATION PROGRAM

PREPARED BY Grace Franklin

Overview and Origins of the Demonstration

The Targeted Jobs Demonstration Program (TJDP) grant was a natural step in the evolution of Portland's economic development policy. Portland had been designated a Comprehensive Economic Development Strategy site in 1978 by the U.S. Economic Development Administration. The concept of First Source had already been developed locally and had been adopted as City policy in 1978. (A First Source Agreement is a contract between the City and an employer receiving public economic development assistance; it makes the City the "first source" of hires by the employer for certain "covered" jobs that are negotiated by the employer and the City.) Coordination between economic development and employment and training agencies had already begun relative to specific First Source Agreements with three employers, including a major effort with Wacker Siltronics, a new firm locating in the City.

In the pre-TJDP period, the initiative for securing First Source Agreements was exercised by the Mayor, with assistance from economic development and planning staff. The Training and Employment Division (TED) was called in to nail down details for training or referral of new employees. This experience convinced the TED staff of the feasibility and desirability of close regular agency coordination for the implementation of First Source Agreements. TED staff felt that what was needed was a way to institutionalize interactions that had previously occurred on a special exception basis, so that they would not be dependent on individual personalities or on unpredictable events. Also, TED wanted to participate earlier in the process of developing First Source Agreements. TJDP was viewed as a natural means for bridging where the City had already been (namely, pioneering and field testing the First Source concept) and where it wanted to go (making agency coordination a routine interaction

and including First Source as a matter of course when economic development benefits were committed to employers).

The grant proposal was written jointly by TED and the Office of Policy Planning in the summer of 1979. TED was designated as the receipient of funds and as the lead agency. The TJDP demonstration began on March 1, 1980, and ended on September 30, 1982.

Staff supported by the grant was limited to the Coordinator and a secretary, who also staffed the PIC. Non-reimbursed staff time was contributed by the TED Director and Case Manager assigned to TJDP, and by the Director and Financial Services Manager of the Economic Development Division of the Portland Development Commission (PDC-EDD).

The overarching purpose and goal of TJDP was to create a mechanism to connect the programs and resources of TED with the job creation activities of economic development agencies by institutionalizing the use of First Source Agreements. Four subgoals flowed from this purpose: 1) to design a joint management plan for TED and economic development agencies in order to link job creation opportunities with job training programs. This included development of interagency agreements and joint promotion of First Source Agreements; 2) to enhance the use of existing business assistance services to promote additional opportunities for small and minority owned businesses; 3) to design and implement a labor market supply and demand data collection system to identify potential development targets; and, 4) to research the feasibility of a neighborhood hiring program.

The activities and programs of TJDP followed directly from these goals. They included multiple kinds of agency coordination with the Portland Development Commission (PDC) and with the Port of Portland to implement the First Source strategy, a financial management seminar for small and minority businesses, development of an

"incubator" for small and minority businesses (a facility that would shelter fledging firms by subsidizing some of their expenses), a labor market survey, and a test of a preferential neighborhood hiring system.

Major Accomplishments

The most significant TJDP accomplishment was to institutionalize the inter-related areas of job targeting and interagency coordination. In the process, the city's quid pro quo economic development policy received support and reinforcement.

Coordination and cooperation between TED and economic development agencies were essential to make job targeting work. A regular, ongoing routine of coordination for the purpose of developing First Source Agreements with employers receiving economic development assistance evolved between TED and PDC (focusing primarily on the revolving loan fund and an occasional Urban Development Action Grant) and between TED and the Port of Portland (focusing on the sale of land in the Mocks Landing development). PDC involved the TJDP staff from TED at the beginning of the loan application process, and the Port notified the staff when prospective purchasers of land were identified. TJDP staff then negotiated the First Source contract with the employers. With experience and practice, staff streamlined the negotiation process, and refined the contract document to include detailed descriptions for the covered jobs, reporting forms for employers, and an arbitration clause.

Trust between TED and PDC staff grew and the two agencies worked together on a number of shared projects--the economic development targeting program for Inner Northeast Portland, the business incubator, the Neighborhood Hiring plan, and, of course, the development of First Source contracts with employers. Both PDC and the Port began to work with TED to develop professional promotional materials about TED's training and referral services, so that they could include presentations about TED in their standard marketing routines to prospective business clients.

The start up costs of initiating and cultivating agency coordination and a First Source job targeting strategy were high, and a long lead time was needed before results began to emerge. Positive results were evident in Portland. One result was that agency coordination became a natural and regular kind of interaction, whereas previously it occurred on an irregular and ad hoc basis. The payoff of that coordination wasa rise in the number of First Source Agreements with employers who received economic development assistance--over 20 were developed in 18 months. Furthermore, those contracts began to produce placements for TED clients. Seventy-five individuals were hired as of June 1982. The number of hires will continue to increase because all of the contracts are in force for three to five years.

A final important result was the response of employers who participated in First Source Agreements. The targeting strategy gained legitimacy in the eyes of those employers and they were satisfied with their interactions with TED, despite initial misgivings about the mandatory aspect of the program. They were pleased with the professional conduct of the negotiations, the flexible nature of the contract, and the high quality of screening and referral of applicants for job openings.

Reasons for Progress and Problems

Portland's TJDP program achieved several important accomplishments and avoided significant problems and failures. A variety of factors, many of which are directly manipulable by local managers, helped to explain TJDP's progress. Facilitating factors included staff characteristics, organizational features, resources, committee memberships and previous track records. Factors restraining accomplishments included the nature of First Source Agreements, the severe economic recession, the limits on resources, and the nature of political support.

Several staff-related issues helped TJDP. Continuity among key local implementors (TED Director from the beginning, and TJDP Coordinator and PDC-EDD Director

since late 1980) was an asset. Prior to late 1980 there had been high turnover among economic development staff and (for different reasons) in the TJDP Coordinator position, which hampered attempts to build coordination. Intelligence, professional experience and credentials, and a willingness to innovate and experiment are important criteria that were met by the staff dealing with TJDP activities in Portland. A third general staff issue concerns staff attitudes and support for the targeting and coordination policy. The driving force for the TJDP demonstration came from the TED Director who devoted much time and energy to nurturing First Source. His commitment was shared by other relevant TED staff, including the TJDP Coordinator. The Director of economic development in PDC was also supportive of the concept of First Source Agreements, and saw important benefits accruing to his agency from coordination. One reason that coordination with the Port was less fruitful is that the staff of the Port had reservations about the policy and did not perceive benefits for their agency.

Two organizational factors contributed to positive accomplishments. Organizational stability within the economic development sphere did not emerge until after December 1980. Previous reorganizations had set back coordination and implementation of First Source Agreements. Within TED, TJDP's organizational position was elevated to the office of the Director near the end of 1980. It previously had not been a high priority of the Director--buried in the planning section, it was not accomplishing much.

Resources and resource allocation had important impacts on program implementation. The presence of the TJDP grant was very important for TED because it permitted the agency to pursue its First Source strategy. But this was not unique to Portland--all the TJDP sites had the same advantage. In Portland, the grant was coupled with other TED resources in CETA programs and funds from the Private Industry Council (PIC); these supplementary dollars, and the willingness of staff to allocate them

toward mutual PDC-PIC-TJDP projects engaged PDC's interest in coordination. The other significant TJDP financial resource came from PDC--the $1.6 million revolving loan fund was reserved for First Source.

The Economic Development Director of PDC was appointed to the PIC in the Spring of 1981. The PIC in Portland was an active group that fully supported the policies of First Source and agency coordination. The Director became one of the more influential members on the council, and learned a great deal about TED and CETA along the way. PIC membership was a way to gradually immerse himself into the relatively new world of employment and training without making too many commitments. He could learn the strengths of the staff and the service delivery system, and he could assess the probable costs and benefits to his agency of greater agency coordination between TED and PDC. The PIC in effect served as his incubator. The results were positive. Familiarity and trust grew and jointly planned projects multipled.

The last factor accounting for Portland's progress was its previous track record in the area of First Source development and agency coordination. The establishment of the Wacker First Source training and hiring agreement, which ultimately produced nearly 500 jobs for TED clients, provided TED with a degree of confidence and a slate of lessons learned from the experience. The 1979-80 experience with First Source embedded the concept in the consciousness of the political officials and produced a formal City policy endorsing the concept as part of a broader economic development strategy. TJDP was intended to refine, focus, and formalize, but it did not have to create from scratch. This gave Portland a headstart that was not replicable in other sites.

Portland was not without its problems, however. While the number of hires coming out of executed First Source contracts was good, it would have been higher if the local economy had not fallen apart at about the same time that the demonstration got up a head of steam. The recession depressed expansion plans and hiring by

all employers, including First Source employers.

The number of TJDP jobs was also limited by the nature of the First Source strategy because construction jobs were avoided entirely, because the average number of new covered jobs with each employer was relatively small, and because the hiring could occur over a period of years.

The finite limit of the amount of economic development resources reserved for First Source constrained expansion of the program. In addition to the revolving loan fund, PDC's industrial site development fund ($1.3 million) was reserved for First Source, but it was untapped because the program's stringent criteria discouraged applicants. PDC staff hoped that a relaxing of application criteria would stimulate utilization. If the City exercises its options to implement an industrial revenue bond (IRB) program, First Source is expected to be included, but to date no IRB program exists.

The final factor creating uncertainty about First Source and limiting expansion was the qualified nature of political officials' support for First Source and TJDP activities. While none of the City Commissioners proposed to reverse the progress that was made, neither were they willing to enlarge on the policy or to become very active in support of it. First Source is all right as long as it does not cause embarrassment, which it has not thus far. This kind of "support" sets limits on how far the staff can go. It is also not subject to the control of TED or PDC Directors alone.

A SUMMARY OF THE SAN ANTONIO, TEXAS TARGETED JOBS DEMONSTRATION PROGRAM

PREPARED BY Patti Moeller

Overview and Origins of the Demonstration

In the summer of 1979 the Department of Economic and Employment Development (DEED) in the City of San Antonio responded to the Federal Register advertisement concerning the availability of Targeted Jobs Demonstration Program (TJDP) funds with a proposal having the following objectives: (1) to enable the City to develop the capacity to implement a job targeting program to link the expenditure of federal and municipal funds to the employment of CETA participants and (2) to develop procedures and programs (first source agreements, customized training, apprenticeship training) to systematize the job targeting process. Efforts were to be directed to the following federal projects: the Alamo Plaza Riverwalk Linkage Urban Development Action Grant (UDAG), the Vista Verde South (UDAG), the Economic Development Administration Revolving Loan Fund, the South Central Texas Regional Training Center and 47 Community Development Block Grant (CDBG) projects.

Four days after DEED requested City Council's approval to submit its proposal, the Director of the Mexican American Unity Council (MAUC) notified the City Manager that MAUC would be requesting Council approval to submit a letter of intent to the federal Interagency Monitoring Board (IMB) to compete for TJDP funds. (This course of action was taken because TJDP dollars were to be dispersed through a municipality and not a community-based organization.) MAUC's project was designed to continue job targeting and small and minority business assistance (begun under an agreement with another agency) focusing solely on the San Antonio Hyatt Regency Hotel (SAHR) project (part of the Riverwalk Linkage UDAG). MAUC's work in leveraging private funds for the hotel had a major impact on the City obtaining the Riverwalk Linkage UDAG. Therefore, MAUC felt its request for City support in applying for TJDP funds was appropriate. MAUC's TJDP proposal had the following objectives: (1) to place

minority and disadvantaged youth (graduates of a special youth training program) in SAHR construction jobs; (2) to place minority and disadvantaged youth in jobs with vendors providing building materials used in the SAHR; (3) to place minority and disadvantaged persons in permanent jobs at all levels in the SAHR; (4) to assist minority firms in securing construction subcontracts on the SAHR; (5) to assist minority vendors in supplying materials and services to the hotel; and (6) to help minority merchants lease retail space in the SAHR and the Riverwalk extension.

A compromise between MAUC and the City (facilitated by the assistant city manager/liaison for DEED and the Equal Employment Opportunity Department(EEO), resulted in a two-part TJDP program consisting of MAUC's job targeting and business assistance efforts at the SAHR and the implementation of the City's Small and Minority Business Enterprise (SMBE) program under the jurisdiction of EEO. DEED was to coordinate the two efforts. The SMBE program was substituted for the original City proposal because it required fewer resources, it provided an opportunity for the City to operationalize the SMBE program which had been approved but not funded, and it was a special interest of the assistant city manager.

The proposed involvement of MAUC in the TJDP program was not well-received by City Council. In the summer of 1979, the Council was composed of an Anglo majority. MAUC was viewed as a controversial organization by San Antonio's Anglo citizenry who resented the expenditure of federal dollars to aid "minority" residents (which, in terms of actual numbers, are not the Mexican-Americans and Blacks, but the Anglo population). This attitude, coupled with unfavorable publicity generated about MAUC by a former employee, extended the Council debate on the program and the elapsed time between submission of the initial TJDP proposal (mid-1979) and the passage of the City ordinance (July 2, 1981) to accept TJDP funds and get the demonstration underway. During this period, MAUC's activities at the Hyatt continued

without interruption and were concluded on December 31, 1981. The City's SMBE program began on September 1, 1981 and concluded on September 30, 1982.

Major Accomplishments of TJDP

MAUC's job-targeting and business assistance program had the following results: five minority youth were placed in construction jobs at the Hyatt; 50 percent minority employment in construction was maintained at the hotel; six minority contractors were hired by the hotel for drywall, trucking and masonry services; fifteen minority and small businesses were assisted in the bidding process for hotel furnishings and equipment; eleven SMBEs were assisted in applying for retail space at the hotel, five secured retail locations; 74 percent of the permanent hotel employees were minority and many were assisted by MAUC in preparing their employment applications.

The City's SMBE program brought about modifications in bid forms for professional service, construction and purchasing contracts to identify SMBEs and reflect SMBE utilization requirements (in the case of prime construction contracts). Free copies of specifications and plans for all City-funded public works projects and selected purchasing bids were made available to SMBEs through the Minority Contractors Assistance Center (MCAC). A survey of SMBEs was completed resulting in the preparation of a binder detailing SMBE vendors to be used by buyers in soliciting quotations on informal bids and an SMBE subcontractor utilization requirements. A method for monthly reporting of SMBE utilization was implemented in the Purchasing Department.

The TJDP/SMBE program was an information-gathering effort that resulted in the establishment of a framework for the implementation of business assistance activities that will lead to increased SMBE utilization in City construction and purchasing. Data collected in the Purchasing and Public Works Departments over the course of the project indicated that the number (as opposed to dollar amount) of bids and construction contracts awarded to SMBEs increased due to the identification of more SMBEs. Outreach,

however, was limited to surveys and quotation requests. Business assistance procedures (i.e. bid preparation and strategy, financing, etc.) have not been implemented. At the conclusion of the TJDP grant the City will have identified SMBEs eligible to compete for City contracts to ensure that they are contacted to respond to formal and informal bids and to serve as contractors on construction projects. This information should enable City personnel to establish SMBE utilization goals which, to date, have not been approved by the Purchasing Department.

Reasons for Progress and Problems

TJDP, from its beginning, was a fragmented program in San Antonio. Two separate entities (MAUC and the City) worked on two distinct projects. No coordination existed between these efforts. MAUC's program concluded well before the official ending date of the demonstration. The groundwork for the City's SMBE program has been laid; however, without SMBE utilization goals, the program is not yet viable. The results of the City's program were limited, in part, because funding and time for the effort was cut by 50 percent due to the conflicts with MAUC. More important, however, is the fact that City leadership did not visibly support the program.

TJDP facilitated the assembly of information on SMBEs in San Antonio necessary to establish a procedural framework for an SMBE assistance program. Only if City management and Council can marshall the commitment and resources (human and financial) necessary to continue the program will this framework be maintained and flushed out. It was not apparent that such commitment and resources were forthcoming to move the SMBE program beyond the results of the TJDP-funded effort.

A SUMMARY OF THE SEATTLE, WASHINGTON TARGETED JOBS DEMONSTRATION PROGRAM

PREPARED BY Robert McPherson

Overview and Origins of the Demonstration

The federal solicitation of proposals for TJDP presented Seattle with a timely opportunity. For several years the Mayor, City Council and a number of other City officials had expressed an interest in coordinating employment and training and economic development programs to increase the number of job opportunities for the City's low income unemployed. However, in the absence of any extrinsic requirements or incentives to link the activities of the two systems, these expressions of interest were never translated into goals and program strategies for achieving them. As a result, attempts to coordinate were sporadic, and for the most part, the two systems continued to operate separately.

The City was also interested in promoting opportunities for small businesses, especially those owned by minorities and women. In 1977, the Mayor had issued a formal policy resolution strongly encouraging increased utilization of these enterprises on all City contracts.

TJDP offered federal resources for hiring staff to explore various approaches to coordination in both of these program areas. The demonstration's objectives for increasing the number of jobs on development projects going to individuals eligible for training under the Comprehensive Employment and Training Act (CETA) and for increasing the dollar volume of contracts on these same projects going to minority and small businesses were compatible with the City's interests.

Seattle submitted its formal application for funding in September 1979, and the Joint Venture program, the City's name for TJDP, officially began in February 1980. The major goals focused on developing and institutionalizing networks for

placing CETA-eligibles on federal development projects and for ensuring access to contracts on such projects for minority and small businesses.

Program staff were located in the Office of Economic Development (OED) a major division in the Department of Community Development (DCD). As a result of a reorganization of DCD during the demonstration, the Office of Economic Development was renamed the Development Division. A recently hired staff person in OED who had written the City's proposal became the program's first manager. She outlined an ambitious program of work that concentrated on developing and implementing a job targeting strategy as the first priority of the demonstration. The strategy involved identifying the most promising projects,negotiating employment goals or first source agreements, designing and managing a job order dissemination/referral control system, monitoring performance of employers and making necessary adjustments to correct deficiencies. Developing and later modifying this strategy to produce job placements in the demonstration period consumed a large part of the program's resources. Building networks for increasing minority and small business participation was a second level priority.

Major Accomplishments of Joint Venture

Joint Venture staff successfully developed a number of interagency agreements, networks and mechanisms for implementing the program. Staff designed and implemented an elaborate job order dissemination and referral control system that included all of the major training agencies in the local community. They developed an effective information network for increasing business opportunities for women and minority business enterprises (W/MBEs) which contributed to an increasing share of City contracts going to these firms.

The program also succeeded in building positive relationships between City government and organized labor. Based on formal letters of understanding and their

own interpersonal skills, staff was able to develop opportunities for CETA-eligibles to compete for a limited number of apprenticeship openings in the construction trades. These opportunities would have never been available through the local CETA system.

Unfortunately, the staff's commendable efforts to develop networks and mechanisms for interagency coordination produced only limited results in the demonstration period. Staff identified a number of development projects; however, they were unable to negotiate specific hiring goals or get first source referral agreements for CETA-eligibles included in the bid specification for any of the viable federal projects.

Without this leverage the program did not produce the quantity of placements initially envisioned. As of May 1982, only 50 CETA-eligibles, about 20 percent of the number originally planned, had been placed as a result of Joint Venture efforts. Of these, only one was in a construction job on a federal development project; 34 were with tenants of projects that had received Urban Development Action Grants (UDAGs); and 15 were with individual businesses that had not received any substantial amounts of financial assistance from the City or federal government. The quality of these jobs, in terms of the occupations and wage rates at placement, was not significantly different from that of other job development and placement programs operating in the City.

The results of Joint Venture's strategies to increase opportunities for small businesses, particularly W/MBEs, was not much different. Although the City Council unexpectedly passed a strong W/MBE ordinance early in the demonstration period, the requirements of this ordinance were not included in any of the UDAGs that materialized during TJDP's existence. In contrast, however, program staff was successful in applying the ordinance to housing and community development projects administered by DCD.

Reasons for Progress and Problems

Two major problems effectively thwarted Joint Venture's performance. Foremost was the lack of a supporting policy and program requirements at any level in the system. While federal agencies are concerned with increasing opportunities for CETA-eligibles and small and minority-owned businesses, with the exception of one or two program areas, there are no specific policies or guidelines requiring the hiring or utilization of these groups on federal development projects.

The City's economic development effort largely reflected the federal government's lack of specific policies and guidelines. The City operated without an economic development policy and there was no local resolution or ordinance regarding the hiring of CETA-eligibles. There was, of course, the City's women and minority business enterprise ordinance; however, continuing legal questions as to whether or not the requirements of the ordinance could be applied to federal projects prevented its use for Joint Venture purposes.

The program's original strategies for increasing job and business opportunities were dependent on the negotiation of numerical goals on targeted development projects with developers and contractors. Without the leverage of hiring and utilization requirements, neither strategy could be effectively implemented in the local environment.

The second major problem was the lack of consistent leadership and management in DCD. There was staff turnover in all of the key management positions in the department during the demonstration. DCD had three different directors; OED went through a major reorganization and had two managers; and three people served as manager of the Joint Venture program. Each of these changes brought shifts in program direction and staff reassignments which added to an already uncertain environment. Moreover, federal and City budget cuts reduced staff, brought on hiring freezes and resulted in changing responsibilities for those remaining. As a result,

the policy vacuum at the top of City government was not filled at lower levels in DCD.

Because of these problems Joint Venture staff was forced to modify their original approach. While not abandoning the commitment to the original job targeting strategy, Joint Venture staff shifted their job development efforts to the more traditional approach of marketing their recruitment, screening and referral services to tenants of development projects and employers located in one of the City's neighborhoods targeted for economic assistance. As a result, they were able to place CETA-eligibles and better test some of the networks and mechanisms developed specifically for the demonstration. In the process they encountered a number of problems familiar to other similar coordination efforts including:

- anticipating the timing of development projects and employers' decisions to hire;
- working with private employers to determine their labor needs;
- producing the quantity and quality of CETA-eligible referrals within the employer's specified timeframe; and,
- influencing the nature and quality of training provided by local employment and training agencies.

In a relatively stable and supportive environment, these are problems that could be minimized over time. Because of organizational instability and a lack of solid policy support, however, Joint Venture found significant progress difficult to achieve.

A SUMMARY OF THE WILMINGTON, DELAWARE TARGETED JOBS DEMONSTRATION PROGRAM

PREPARED BY Edward Dement

Overview and Origins of the Demonstration

When the U.S. Department of Housing and Urban Development solicited proposals for the Targeted Jobs Demonstration Program in 1979, Wilmington held great potential for useful learnings: It had demonstrable need, a leadership concerned with economic development and an array of developmental tools already in place. The City proposed utilizing its TJDP grant as the vehicle for coordinating and facilitating the linkage of employment opportunities arising from its development initiatives with training, preparatory, and referral services available from the City's CETA program. Yet the actual TJDP program that was implemented in Wilmington ultimately bore but a faint resemblance to those well-intentioned early plans; moreover, it illustrated the unpredictable evolutionary character of demonstration program development at the local level.

To understand fully the origin and evolution of TJDP in Wilmington, it is also important to understand both the economic and administrative atmospheres prevalent in 1979. At the time, the City was reeling from the unabated losses of businesses and retail revenues from its downtown area; furthermore, the 1978 closing of the downtown district's largest department store--and the threatened loss of several major corporations--created grave concerns on the part of the newly-elected Mayor, Bill McLaughlin and his top administrators.

By 1979, McLaughlin's administration was already well into a multi-faceted effort to stem the tide of economic losses, revitalize the downtown business district, and attract a new stream of large-scale capital investments and small business ventures. At the forefront of that effort was the City's Planning and Development Department (PDD). With a staff of 85 planners, specialists, and technicians, PDD

was responsible for planning and grant application activities for a variety of programs which, subsequent to funding, were operated by other line agencies of City government. In short, it was the Department's role to identify "targets of opportunity" (usually federal grants, and economic or community development assistance projects), to prepare the necessary grant applications, and--if the bids proved successful--to engineer the implementation of new programs.

In the view of the Mayor's assistant and chief administrative officer for the City, Wilmington's TJDP proposal was submitted largely because TJDP represented yet one more possible source of funding to support a larger overall effort. In "fit" rather neatly with the more-or-less informal targeting strategies first used in conjunction with Wilmington's 1978 Radisson Hotel project, one of the nation's first UDAG projects. And it appeared to lend itself appropriately to a number of other local projects already on the drawing boards at the time. It was not, however, a project that commanded the strong support of the Mayor or his senior staff.

The TJDP application was drafted by the head of the Economic Development Division of the reorganized Planning Department, after most of its former "development" duties were shifted elsewhere. The Economic Development director saw in the TJDP an opportunity to achieve a high degree of cooperation between the City's economic development and employment and training programs. In essence, he viewed TJDP as a new intermediary between CETA-funded job training programs and the myriad of economic development projects already in existence or planned for the future--programs such as UDAG, CDBG, the expansion of the Port of Wilmington, and a variety of small to medium-sized business assistance programs. Thus the City's TJDP proposal was written with the two primary objectives of targeting jobs to CETA-eligible residents during the life of the project, and institutionalizing the coordinative process by the end of the federally-funded demonstration period.

As proposed, the program staff was to consist of two individuals--a coordinator and an intern, both working under the director's supervision. Their primary responsibilities were to promote the TJDP concept, develop the necessary procedures to execute the program, monitor its performance and results, and work with appropriate officials to ensure its institutionalization and continuation. The program was to be housed in the Planning Department--a base from which it could work effectively with both CETA (whose planning functions were then lodged in that department) and economic development (whose planning functions were also concentrated in Planning, but whose implementation came largely under the purview of the City's Commerce Department).

Major Accomplishments of TJDP

In terms of measurable impact upon the broad range of City economic development programs or the actual numbers of CETA-eligible residents hired as a direct result of its efforts, it appears that TJDP fell short of original expectations. The project, however, was by no means a failure; indeed, given the environment in which it operated, the lack of visibility afforded the effort, and the sweeping changes affecting roles and reporting relationships among various City departments, it is fair to conclude that Wilmington's two-year $80,000 TJDP grant succeeded in creating considerable awareness of, and sensitivity to, targeting issues, and that some of these benefits will be sustained beyond the demonstration.

Owing to the existence of several local organizations that were already rendering business development assistance at the time the TJDP proposal was written, Wilmington did not pursue this national objective; instead, the project concentrated on the job targeting process and the development of coordinative mechanisms. Unfortunately, however, it made relatively little headway in either of these areas until late in the demonstration period. TJDP staff reports gathered during the third round of research indicated that of the 616 hires reported by financially-assisted small and medium-

sized businesses, only 72 were certifiably CETA-eligible. (Many others, however, satisfied other local targeting goals, e.g.,City residents, minorities, etc.) No data were available, however, concerning hiring by larger employers involved with the City's Industrial Revenue Bond (IRB) program, or by the Port of Wilmington and other projects named in the original TJDP application

It is difficult to find evidence that Wilmington's TJDP dramatically improved either existing coordinative mechanisms or institutional relationships in the City; indeed as described below, there are indications that the program at times frustrated and complicated the very coordination it sought to achieve. Even so, TJDP was perceived by City officials as having performed a useful service by raising the issue of targeting to a level of public consciousness, and by causing City officials to look far more carefully than ever before at both the opportunities for, and practical limits of, local job targeting and enforcement.

Reasons for Progress and Problems

Several factors contributed to TJDP's difficulties in Wilmington. Perhaps the most apparent is that the program was never fully adopted and embraced as an instrument of City policy or a matter of high priority. Despite its proposal rhetoric, TJDP was never really approached in the manner envisioned at the time of grant application--that is, as a vehicle for leveraging employment and training opportunities for CETA-eligible City residents and minority members. Instead, it assumed the role of promoting the hiring (but not training) of a much more broadly targeted group of low-to-moderate income persons, City residents, women, and racial minorities (many of whom TJDP staff felt would have been CETA-eligible had certification been accomplished).

Throughout its existence (and through little fault of its own), TJDP lacked sufficient stature and credibility within City administrative circles and had no enforcement clout with the businesses it sought to target. For example, during the

six months between grant submittal and contract award, a major reorganization of City departments practically ruled out any chance for TJDP to be the official coordinator of Wilmington's economic development and employment and training efforts. Early on, skepticism concerning TJDP's value was particularly evident in the Commerce Department, headed by a former member of the Planning Department who later moved to the Mayor's staff, and in the Wilmington Economic Development Corporation, the City's lead agency for business financial assistance and loan packaging services. This reluctance, however, softened somewhat in all quarters, with the possible exception of the Commerce Department, which operating on the theory that employment benefits will trickle down to low-income residents in the long run, continues to place highest premium on the successful closing of each potential new business "deal". (All the major local actors seem to believe in the targeting of benefits, but any mention of enforcement of such targeting generates a heated debate.)

Wilmington's experience underscores the difficulties inherent in targeting jobs and business opportunities from certain types of projects, especially IRB-assisted programs and large-scale speculative development projects. It provides valuable insights and information on the extent to which some employers object strongly to governmental intervention in their hiring decisions. And, it is rich in learnings for other small-to-medium cities interested in attempting job targeting efforts in the future. Clearly, the Wilmington story illustrates the hidden complexity of planning and executing effective targeting strategies, the necessity of providing strong policy-level backing for any such undertaking, the importance of placing responsibility for program execution in the hands of experienced, competent professional staff, and the practical limits of compliance monitoring and enforcement.